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INTERNATIONAL INSTITUTE OF AGRICULTURE

BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

MONTHLY BULLETIN OF ECONOMIC AND SOCIAL INTELLIGENCE

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2. INTERNATIONAL REVIEW OF THE SCIENCE AND PRACTICE OF AGRICULTURE (*Monthly Bulletin of Agricultural Intelligence and Plant Diseases*), published monthly in English, French, German, Spanish and Italian. (Each number consists of about 180 pages, 16mo)	» 18	2 —
3. INTERNATIONAL REVIEW OF AGRICULTURAL ECONOMICS (*Monthly Bulletin of Economic and Social Intelligence*), published monthly in English, French, German, Spanish and Italian. (Each number consists of about 150 pages, 16mo)	» 18	2 —
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(1) *Various publications*

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5. LA RÉPARTITION AGRICOLE DES TERRITOIRES DES DIFFÉRENTS PAYS (Areas under Crops in the Different Countries). (1914, 310 pages, 16mo)	»	5 —

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THE INTERNATIONAL INSTITUTE OF AGRICULTURE

The International Institute of Agriculture was established under the International Treaty of 7 June 1905, which was ratified by forty governments. Fifteen other governments have since adhered to the Institute.

It is a government institution in which each country is represented by delegates. The Institute is composed of a General Assembly and a Permanent Committee.

The Institute, always confining its attention to the international aspect of the various questions concerned, shall:

(*a*) collect, study, and publish as promptly as possible, statistical, technical, or economic information concerning farming, vegetable and animal products, trade in agricultural produce, and the prices prevailing in the various markets;

(*b*) communicate the above information as soon as possible to those interested;

(*c*) indicate the wages paid for farm work;

(*d*) record new diseases of plants which may appear in any part of the world, showing the regions infected, the progress of the diseases, and, if possible, any effective remedies;

(*e*) study questions concerning agricultural co-operation, insurance, and credit from every point of view; collect and publish information which might prove of value in the various countries for the organization of agricultural co-operation, insurance and credit;

(*f*) submit for the approval of the various governments, if necessary, measures for the protection of the common interests of farmers and for the improvement of their condition, utilising for this purpose all available sources of information, such as resolutions passed by international or other agricultural congresses and societies, or by scientific and learned bodies, etc.

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EXPLANATORY NOTE

1. *The present Table of Contents refers to the twelve numbers of the* International Review of Agricultural Economics *published from January to December*, 1915, *and includes, therefore, all the articles and notes dealing with co-operation, insurance, credit and agricultural economy in general contained in these volumes.*

2. *The articles and notes relating to co-operation have been grouped in* 20 *classes; those dealing with insurance are divided into* 12 *classes; those which deal with credit into* 6 *classes; and those which treat of agricultural economy in general into* 17. *A complete list of these classes precedes the table. In our classification we have followed the rule of single entry and placed under only one heading those articles and notes which, from the nature of the subject treated, might appear in more than one group.*

As it is not in every case clear why an article or note has been assigned to one group rather than to another, the reader must be prepared to refer to the several analogous groups in any one of which a particular article or note might appear. A dairymen's co-operative society, for example, might have as its object the protection of the general economic interests of dairy farmers as a class, or simply the improvement of the methods of production, transport, and sale, or again, the purchase and collective use of animals of the special dairy type. An article relating to such a society might appear under various headings, according as it dealt more particularly with one or other of these objects.

3. *In each group the articles and notes have been subdivided by countries, following the aphabetical order. For each country the articles are arranged in the chronological order in which they were published. We have added a table giving the classification by countries.*

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INTERNATIONAL INSTITUTE OF AGRICULTURE

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Part I: Co-operation and Association

GERMANY.

DISTRIBUTIVE CO-OPERATIVE SOCIETIES IN GERMANY.

SOURCES:

JAHRESBERICHT DES ZENTRALVERBANDES DEUTSCHER KONSUMVEREINE FÜR 1913 (*Annual Report of the Central Federation of the Distributive Co-operative Societies of Germany, for* 1913). Hamburg, 1914.

§ 1. DISTRIBUTIVE CO-OPERATIVE SOCIETIES IN GERMANY ON JANUARY 1st., 1914.

Generally speaking, the usefulness of the Distributive Co-operative Societies in a country does not so much depend upon the number of such societies, as upon the number of members and the diligent use that the latter make of the services of the societies. It is manifest that members who only figure on paper are of little use.

The *number of co-operative societies* of new creation in Germany has tended to decrease since 1913 (Table I). This is due to the tendency towards concentration, which is also encouraged by the formation of district co-operative societies on the part of the Central Federation of the German Distributive Co-operative Societies. Concentration is of advantage in competition with private trade which tends to establish warehouses with branch establishments, and, further, it permits of increased production on the part of the co-operative societies and serves to prevent

the rise of weak organisations. This explains the decrease in the number of societies founded, the increase in the number dissolved and, in fine, the inevitable diminution of the number of societies.

TABLE I. — *Number of Co-operative Societies.*

Year	Societies Founded	Societies Dissolved	Societies Existing
1903	178	31	1,904
1904	143	47	2,090
1905	126	57	1,922
1906	137	52	2,007
1907	154	50	2,110
1908	155	43	2,222
1909	111	63	2,270
1910	117	76	2,311
1911	101	57	2,255
1912	92	53	2,394
1913	66	82	2,378

With regard to the *number of the members*, data are given in Table II for the period from 1903 to 1913. In the course of 1913, there was an increase of 137,384 in the number of the members of the Central Federations ; thus it rose from 1,483,811 to 1,621,195.

The General Federation (which exists alongside of the Central Federation and also includes Distributive Co-operative Societies) showed an increase of 29,579 members in 1912. The increase in 1913 cannot have been much less. And allowing for the increase in the number of members of unfederated co-operative societies, the total increase of the members of German distributive co-operative societies may be estimated, in round numbers, at 200,000. Therefore the total number of the members of the German Distributive Co-operative Societies may have risen to 2,300,000, in round numbers, by January 1st., 1914.

TABLE II. — *Co-operative Societies adhering to Federations.*

Years (January 1st.)	Central Federation		General Federation		Total	
	No. of Affiliated Co-operative Societies	No. of Members	No. of Affiliated Co-operative Societies	No. of Members	No. of Affiliated Co-operative Societies	No. of Members
1903	585	480,916	242	300,721	927	781,637
1904	666	523,085	272	248,004	938	819,001
1905	745	646,175	272	255,916	1,017	902,091
1906	827	715,929	276	238,097	1,094	954,026
1907	900	776,999	274	246,945	1,174	1,023,944
1908	859	879,221	282	252,618	1,241	1,131,839
1909	1,028	966,904	278	257,082	1,306	1,223,986
1910	1,077	1,047,975	285	262,522	1,362	1,310,497
1911	1,109	1,171,763	290	270,437	1,399	1,442,200
1912	1,142	1,313,422	293	276,645	1,435	1,590,067
1913	1,155	1,483,811	290	306,224	1,445	1,790,035
1914	—	1,621,195	—	—	—	—

It may be interesting to consider the composition of the co-operative societies affiliated to the Central Federation in 1903 and 1913, according to the profession of the members, both in regard to the total numbers and the percentages for each class (Table III, A), and to compare the figures with those affiliated to the General Federation of Co-operative Societies for the same period (Table III, B). In the General Federation, there is a very much larger percentage of artisans and independent farmers, of persons engaged in the liberal professions, agricultural employees on wages and receiving salaries, and persons without any given profession, than in the Central Federation, in which industrial employees on wages or salaried predominate, while the independent farmers form but a small group. While a decreased percentage is observed in the General Federation in the case of these last, from 1910 to 1912 there was comparatively a slight increase in the Central Federation. This was due to the fact that the district distributive co-operative societies carried on a retail trade also in the country round about their head quarters. This makes it possible to anticipate an increased action on the part of the distributive co-operative societies among the agricultural population, even if the group of wage earning and salaried agricultural employers were to unite with the group of independent agriculturists to bring in the whole agricultural population interested in the distributive co-operative movement.

TABLE III. — *Distribution according to Profession of all the Member of the German Distributive Co-operative Societies.*

(*Total numbers and percentages*).

Year	Independent Artisans	Independent Farmers	Members of Liberal Professions, Employees of the State and Communes	Wage earning or Salaried Industrial Employees	Wage earning or Salaried Agricultural Employees	Profession not Stated, Private Individuals, Pensioners, etc.	Total	Men	Women
(A) *Central Federation.*									
1903	38.295	8.583	22.593	390.601	14.811	24.123	514.333	482.622	31.711
	(7.7)	(1.7)	(4.5)	(78.3)	(3.0)	(4.8)	(100)	(93.6)	(6.4)
1913	84.760	52.202	52.202	1.220.530	37.552	119.576	1.306.646	1.306.646	238.851
	(5.5)	(3.4)	(3.4)	(79.1)	(2.4)	(7.8)	(100)	(84.7)	(15.3)
(B) *General Federation.*									
1903	20.520	6.861	36.756 (1)	62.226 (2)	8.895	11.816	146.982	129.330	17.652
	(14.0)	(4.7)	(25.0)	(43.3)	(6.0)	(8.0)	(100)	(88.0)	(12.0)
1912	59.917	10.716	82.940	93.629	11.086	24.908	283.205	252.235	30.97
	(21.2)	(3.8)	(29.3)	(33.1)	(3.9)	(8.8)	(100)	(89.1)	(10.90)

(1) In this group are also included: railway employees, dependent sailors, and servants.
(2) In addition: porters, and servants.

Table IV, finally, shows the general development of the German Distributive Co-operative Societies from 1904 to 1914, and shows in particular the increase in the *means* at the disposal of co-operation for its development.

TABLE IV. — *Situation of the Distributive Co-operative Societies in* 1904 *and* 1914.

Details		1904	1914	Increase per cent
Number of Members		1,000,000	2,300,000	130.0
Total Business of the Society	M.	223,486,000	663,816,600	197.0
Production	»	21,312,000	112,803,500	429.3
Total Business of Distribution	»	24,103,000	46,484,200	92.9
Cash in Hand	»	3,233,000	5,860,200	81.3
Goods in Hand	»	28,936,000	74,476,600	157.1
Capital out at Interest	»	15,494,000	62,760,000	305.1
Personal Estate	»	4,957,000	18,256,100	268.2
Value of Real Estate	»	31,350,000	109,723,600	250.0
Members' Assets	»	19,487,000	42,864,800	120.0
Reserves of Every Kind	»	9,298,000	30,110,600	223.8
Loans Contracted and Savings Deposits	»	9,232,000	71,017,100	669.2
Mortgage Debts	»	16,028,000	51,032,600	218.4
Contributions of Members for the Office	»	2,244,000	7,413,000	230.3
Goods Debit	»	4,800,000	12,662,000	163.8
Credit of Members for Discount and Balance	»	23,064,000	58,562,400	153.9

§ 2. THE CENTRAL FEDERATION OF GERMAN DISTRIBUTIVE CO-OPERATIVE SOCIETIES.

1. *Organisation.*

On January 1st., 1903, there were in Germany about 950,000 persons associated in distributive co-operative societies. Of these 480,960, or 51 per cent. belonged to the Central Federation. Of the 2,300,000 members registered with the distributive co-operative societies on January 1st., 1914, 1,621,195, or 70 per cent. belonged to the Central Federation, so that the proportion of the members of the latter association had increased by 19 per cent. between 1903 and 1914.

Gradually as it develops, the Central Federation adapts its internal organisation to new tasks. In the Extraordinary Co-operative Congress held at Hamburg on November 25th., 1914, the rules of the Federation, were revised, and its aims were defined as the reunion and organisation of every kind of German Distributive Co-operative Association, together with the protection of common interests by means of a union of forces and concerted measures.

The Central Federation is composed of 9 inspection federations (*Revisionsverbände*), of the Wholesale Purchase Society of the German Distributive Co-operative Societies Limited (*Grosseinkaufs-Gesellschaft Deutscher Konsumvereine m. b. H.*) which ranks as an inspection federation; in fact, the Central Federation includes all the co-operative societies affiliated to the inspection federations.

From 1913 only such consumers' co-operative societies may be affiliated to the inspection federations as on entering or leaving the federations implicitly enter or quit the Central Federation.

The contributions are in proportion to the importance of the business.

The Publishing Society of the German Distributive Co-operative Societies occupies a special position in regard to the Central Federation and is a limited liability society (*Verlagsgesellschaft deutscher Konsumverein m. b. H.*). It is not a member of the Central Federation, but is attached to the same inasmuch as the Management of the latter is also that of the Publishing Society; the committee of the Central Federation is at the same time the supervision committee of the Publishing Society. All the co-operative societies of the Federation have to be members of the Publishing Society.

The executive authorities of the Central Federation are : the *Annual and Extraordinary Congresses of the Co-operative Societies* : the *General Council,* which meets twice a year, the *Committee* and the *Board of Management.*

The Inspection Federations have, as a rule, 3 executive authorities, viz., the *Annual and Extraordinary Congresses,* the *Supervision Committee* and the *Board of Management.*

The *Publishing Society* has also *Ordinary Annual Meetings.*

For purposes of collective purchase there are in the different districts purchasing unions (*Einkaufsvereinigungen*) corresponding with the inspection federations. The heads of these unions are annually called together by the Wholesale Purchase Society to consider questions dealing with collective purchase. In special relation with the Central Federation there are : the *Mutual Aid Society of the Central Federation of the German Distributive Co-operative Societies* for the employees and workmen of the federated co-operative societies, the number of the members of which rose in 1913 to 8,314 : the *Tariff Office,* the *Examining Committee,* the *Professional Committee,* etc.

2. *The Work of the Central Federation and the Institutions Connected therewith.*

In the preparation of the statistics of the economic results attained by the Central Federation and the Co-operative Institutions, a different group has to be taken into consideration. Thus we must consider separately : (*a*) the distributive co-operative societies; (*b*) the labour co-operative societies and co-operative societies with other objects; (*c*) the Wholesale Purchase Society; (*d*) the Publishing Society. It is the two groups *a* and *b* that are subdivided into the 9 inspection federations.

The totals given in Table V show the economic strength of the Central Federation. From 1912 to 1913, there was observed a decrease in the number of the affiliated co-operative societies, while that of those co-operative societies which furnished data remained the same. The members increased in number during the period in question, but it is to be noted that while those of the distributive, labour and miscellaneous societies are almost without exception single individuals, those of the Society for Wholesale Purchase and the Publishing Society are co-operative societies. The number of shops and warehouses also increased between 1912 and 1913.

TABLE V. — *Situation of the Central Federation.*

Organisations	Affiliated Co-operative Societies	Co-operative Societies Furnishing Data	Number of Members at Close of Financial Year	Number of Shops	Number of Central Warehouses
Distributive Co-operative Societies . .	1,157	1,129	1,621,195	4,881	227
Labour and other Co-operative Societies	38	38	11,085	—	—
Wholesale Purchase Society	1	1	807	—	7
Publishing Society	1	1	557	1	2
Total at End of 1913 . . .	1,197	1,169	1,633,644	4,882	236
» » 1912 . . .	1,200	1,169	1,495,501	4,411	214

The share of the organisations in the wholesale co-operative purchase is shown in Table VI.

TABLE VI. — *Wholesale co-operative purchases and sale of goods directly produced.*

Organisations	Foundation Capital Subscribed in the Wholesale Purchase Society	Capital Subscribed in the Production Branch of the Wholesale Purchase Society	Goods Business Done in the Wholesale Purchase Society	Banking Branch of the Wholesale Purchase Society		Results of Sale of Own Produce
				Deposits Withdrawable at 3 or more Months' Notice	Current Account Transactions	
	M.	M.	M.	M.	M.	M.
Distributive Co-operative Societies	3,871,108	372,662	136,242,337	16,899,667	152,955,436	99,877,629
Labour and other Co-operative Societies	16,500	—	1,317,371	—	1,064,521	10,659,880
Wholesale Purchase Society	—	—	—	—	200,496,408	11,076,578
Publishing Society . . .	1,000	—	169,000	1,497,826	13,891,000	3,410,477
Total at Close of 1913 .	3,888,608	372,664	137,728,708	18,397,493	368,407,365	129,024,564
» » » » 1912 .	1,829,706	279,474	112,161,778	15,180,170	271,963,504	103,956,053

The number of persons occupied in the goods division increased in 1913 from 20,119 to 22,727; and those engaged in the preparation of the goods from 6,283 to 6,549. The total number of persons employed rose from 26,402 to 29,276.

The proceeds of private sales effected by the four groups of federations increased from 571,000,000 marks to 640,000,000 marks, while the value distributed increased from 31,800,000 marks, to 33,500,000 marks.

The gross business increased from 603,000,000 marks to 674,000,000 marks, while the gross receipts increased from 84,000,000 marks to 91,000,000 marks. The net surplus increased from 25,900,000 marks to 26,700,000 marks.

From the returns made in 1913, we see that the income of the Federations had risen to 192,854.78 marks. There is no prospect of any large increase for 1914 and 1915.

3. *The Wholesale Purchase Society.*

This is a central co-operative distributive production and thrift society of the German distributive co-operative societies. It is a limited liability association. It opens central warehouses in the different parts of the country. Commercial travellers are appointed for each district. It is not the society itself that produces, but its subordinate societies. The banking section occupies itself with the savings and the cash business of the distributive co-operative societies and serves as an intermediary and as a clearing house.

The Wholsesale Purchase Society has a *Business Management* and a *Supervision Committee* as well *as annual and extraordinary meetings.*

The work of the society is assisted by the purchase unions already mentioned.

In table VII are given some figures which will give an idea of the progress made by the society between 1894 and 1913.

TABLE VII. — *Progress of the Wholesale Purchase Society.*

Year	Number of Societies	Number of Members	Total Business Done	Value of Goods Produced by the Societies	Goods	Furniture and Machinery	Real Estate	Own Capital of the Societies and Deposits made by Members and Others
			M.	M.	M.	M.	M.	M.
1903 . .	265	197	26,445,889	—	921,512	81,585	395,570	1,739,167
1913 . .	807	2,017	154,047,316	11,076,579	7,292,153	722,926	7,416,641	41,008,819

§ 3. The direct purchases of the German distributive co-operative societies and of the German wholesale purchase society from the agricultural co-operative societies and from farmers in 1904 and 1912.

It is a fact worthy of notice that the on the part of the distributive co-operative societies there is a tendency to favour direct purchase from individual farmers rather than purchase through the agricultural co-operative societies. In 1904, as seen in Table VIII, the distributive co-operative societies purchased agricultural products to the value of 4,980,000 marks from the agricultural co-operative societies; while in 1912 the value of their purchases amounted to more than 8,000,000 marks, but, as the total business of the co-operative societies had increased from 147,000,000 marks to 423,000,000 marks, there was in reality a decrease of from 3.4 % to 1.9 % in the amount of direct purchase. From the farmers the co-operative societies purchased to the value of 2,500,000 marks, in 1904 and of 15,200,000 marks in 1912. There was then an absolute increase as well as an increase per cent of from 1.7 to 3.6.

Only the large proprietors produce goods in sufficient quantity to be able to offer them directly to the distributive co-operative societies or to the wholesale purchase society. Owners of small and medium sized holdings have to give their produce over to a middleman; they do not take it to or fetch it from the co-operative societies. The development of agricultural societies for production and sale alone could restrict the sphere of action of the middle-men. But even in such branches of agricultural activity where these societies have developed (dairy industry and vineyard cultivation) they represent but a small fraction of the production.

The Wholesale Purchase Society, on the other hand, can apply directly to the production and sale co-operative societies and offer their produce directly to the distributive co-operative societies, and thus they need not have immediate dealings with the farmers or the agricultural co-operative societies.

The purchases of the Wholesale Purchase Society from the co-operative societies were larger in 1912 (notwithstanding a diminution in comparison with 1904) than those from the farmers, and in this it presented a contrast with the distributive co-operative societies.

In 1913, the activity of the Wholesale Purchase Society increased notably. While in 1912 its agricultural produce business amounted to 8,800,000, marks, of which 1,700,000 marks was done with the agricultural co-operative societies of the country, 1,400,000 marks with foreign co-operative societies, 990,000 marks with farmers and 4,800,000 marks with the wholesale trade, in 1913 the total was 11,100,000 marks, of which 2,400,000 marks was done with agricultural co-operative societies

in Germany, 1,700,000 marks with foreign societies, 1,200,000 marks with farmers and 5,800,000 marks with the wholesale trade. Relatively it is with the wholesale trade its business has increased.

In general, the purchases made directly from the distributive co-operative societies belonging to the Federations, or through the medium of the Wholesale Purchase Society, vary in the case of certain products (butter, for example) of which the consumption is closely connected with the conditions of the workmen and these puchases are not large. They can, however, be considerably and systematically extended, especially where the trade is conducted on a large scale (cheese, eggs and potatoes). Where, on the other hand, production has to be promoted by establishing dairies, cheese factories, plantations and agricultural undertakings, rather than organising trade, a much slower rate of development is inevitable, and indeed advisable, in order that failures at the start may be supported and that sure progress may be made.

TABLE VIII. — *Direct Purchases from Agricultural Co-operative Societies and from Farmers.*

Goods	Direct Purchases of the Distributive Co-operative Societies from the Agricultural Co-operative Societies		Direct Purchases of the Distributive Co-operative Societies from Farmers		Direct Purchases of the German Wholesale Purchase Society from the Agricultural Co-operative Societies		Direct Purchases of the German Wholesale Purchase Society from Farmers		Total Direct Purchases of the Distributive Co-operative Societies and of the Wholesale Purchase Society		Proportion per cent of the Business of the Distributive Co-operative Societies	
	1904	1912	1904	1912	1904	1912	1904	1912	1904	1912	1904	1912
Butter	4,514,640	4,942,053	406,919	3,958,311	2,254,575	1,630,039	—	—	7,176,134	10,530,403	4.9	2.5
Milk	121,107	702,738	—	1,441,332	—	—	—	—	121,107	2,144,070	0.08	0.5
Cheese	22,840	354,659	47,042	841,014	—	40,194	—	615,024	69,882	1,850,931	0.05	0.4
Eggs	62,156	919,817	6,457	695,544	—	—	—	—	68,613	1,615,361	0.05	0.4
Fruit and Preserves	7,083	23,460	2,400	237,198	57,100	17,207	—	—	66,583	277,865	0.05	0.07
Wine	16,538	60,311	295,100	568,003	100	315	—	—	311,738	628,629	0 2	0.1
Potatoes	31,673	397,583	363,199	2,002,420	53,950	27,322	—	377,214	448,822	2,805,539	0.3	0.7
Cereals	158,883	577,638	439,899	1,374,068	2,800	—	—	—	601,582	1,951,706	0.4	0.5
Butchers' Beasts	36,815	17,000	691,826	3,971,862	—	—	—	—	728,641	3,988,862	0.5	0.0
Miscellaneous	11,242	119,294	262,879	122,777	5,563	—	—	—	279,684	242,071	0.2	0.05
Total	4,982,977	8,114,553	2,515,721	15,212,529	2,374,088	1,715,077	—	992,278	9,872,786	26,034,437	6.7	6.1

AUSTRALIA.

AGRICULTURAL CO-OPERATION IN SOUTH AUSTRALIA.

By T. E. YELLAND

Secretary to the South Australian Farmers' Co-operative Union, Ltd.

INTRODUCTION.

Australia, with its large area, stretching for thousands of miles from north to south and from east to west, and with its vast and varied resources and its small population — only a little over four millions — does not lend itself to co-operation in the same way as the smaller countries of Europe with their large and closely settled populations; and when we also bear in mind that co-operation, particularly amongst the farmers, is only of recent growth, Australian farmers can regard with some pride the progress which they have made in the co-operative movement.

In dealing with Australia, one has to bear in mind that everything is on a larger scale than in the older countries, and that the best use has not yet been made of the agricultural soils of this land. Farms are large, varying in size from 1,000 to 5,000 acres, and often in some of the inferior districts much larger than this. This of course, refers to those farmers who confine their operations principally to wheat growing. The sheep-farmers and graziers in the interior of Australia count their land by thousands of square miles. The farms being large, co-operation of the type which existed in the earlier days of Australia is no longer possible.

Australian farmers have practically passed through one stage of co-operation and are now well advanced into the second. Both have been brought about by the necessity of the times. In the early days, with the old English ideas strong in their minds, the people selected small sections of land of not more than 80 acres, and with their small capital each purchased something towards working the farm, and then one lent to the other what the brother farmer did not possess. But as years went on, the fertility of the soil made many of these men independent. They

acquired larger properties, purchased the necessary machinery, and thus made the necessity for co-operation in its primary and simplest form a thing of the past; and whilst no farmer would object to assist another in this old fashioned way in case of necessity, each man at the present time is working independently and has a complete outfit on his usually large and up-to-date farm.

§ 1. The South Australian Farmers' Co-operative Union.

The second stage of co-operation which is now being developed came into existence with the advent of the South Australian Farmers' Co-operative Union, Ltd., about twenty-five years ago, when a number of the States were experiencing some of the worst and most trying times that the farmers had gone through. While money had previously been fairly plentiful, these reverses made them look for other means of trying to reduce expenditure or else to make a little more on that which they had to sell. In South Australia, the central State of Australia, a farmers' association in the chief agricultural areas had advocated some scheme of combining with the express idea of protecting the farmers. Cornsacks, which are imported into Australia from Calcutta, were the first articles on which co-operation was tried. A small company was formed; a number of orders taken for cornsacks; and the purchases made in Calcutta. The result to the farmers was most gratifying. When the cornsacks arrived in the State, the merchants were distributing them at 7*s*. 6*d*. per dozen. The co-operative society found that they could sell at 6*s*. 6*d*. per dozen, and still leave a small margin. This they did amongst their own members, but it had this effect, that as soon as these sacks were distributed the whole of the cornsacks for the State were reduced below what the co-operative society could distribute theirs for. This led the farmers to reason that if they could influence the cornsack market (an important consideration for the farmers, as all their wheat has to be bagged, there being no shipping in bulk from these States) they might, in the same way, influence the market for other products which the farmers required or produced; and so they started on the sale of wheat, which is the principal product of the farms.

Their idea was for a number of the farmers to put their wheat together and sell it in large quantities, say five or ten thousand bags at a time, the larger quantities invariably securing higher rates, and this amount could be distributed amongst the farmers thus selling. The result was most gratifying, but on every occasion they had to contend against the severest opposition from the wheat merchants.

As the various merchants are represented at each railway station and seaport throughout the State, and buy the wheat either as delivered in wagon loads by the farmers or on contract previously made, there are hundreds of these wheat agencies all over the wheat growing areas; so for

co-operation to compete successfully it must have its representative at each principal centre. But at the start of co-operation some twenty-five years ago the growth necessarily had to be slow, and while the co-operators only opened at one station, each succeeding year saw a number of additional stations opened up, and it was most gratifying to the farmers to find that invariably wherever their own co-operative company opened, the price of wheat advanced at least 2*d*. per bushel (equal to one shilling and four pence per quarter) compared with what it had previously been, taking of course the basis of the selling price at the various ports.

To explain fully this subject, we wish to deal with the growth and working of the South Australian Farmers' Co-operative Union, Ltd., which is by far the largest and most complete society not only in South Australia but in the whole of the Australian continent and can therefore be taken as the best exponent of agricultural co-operation in the Commonwealth.

The two names that stand out most prominently in this company's first stages of development are those of Mr. Thomas Mitchell of Jamestown (who for twenty years was on the Board of Directors, eighteen of which he served as chairman) and Mr. John Pearce of Caltowie, who for fourteen years was a Director, the two first years being Chairman of Directors, and as Managing Director for a number of years helped very materially in the growth of co-operation in this State.

Jamestown, the centre of a large agricultural area, about 150 miles north of Adelaide, the capital of South Australia, was the scene of the first operations 25 years ago. With 103 members the start was made, as has been explained above. The growth, naturally, for the first few years was slow. The farmers had to contend against very great odds. Every business firm was against them, and whether they bought wheat, imported cornsacks or machinery, or made a move in the direction of furnishing general farm supplies, they had to compete with each individual merchant who dealt in these lines, with the result that they were invariably undersold, and in some instances the Directors and a few of the most loyal supporters had to take over the stocks which had been purchased for sale among the farmers generally, but such treatment only stimulated those early pioneers in the movement to greater efforts, because it showed what could be done by the united action of the farmers themselves. Farmers generally are a kindhearted, hospitable class of people, but it is difficult to get them to work together even for their own benefit, and although they could in the early stages see the advantages which were to be had from co-operation, they did not seem to have the confidence either in themselves or in the pioneers to come into the business with the heartiness that one would expect them to show under the conditions. To make matters worse, the extreme opposition of the wheat merchants and the inexperience of the farmers themselves in doing their own business, led to certain losses in the early history of the company which considerably hampered its operations; and just when success appeared to be looming over the horizon, one of the agents handling a large quantity of wheat swindled the company heavily, thus losing a considerable amount of the already small

capital. Despite these facts, the grit and energy which is a dominant feature of the farmers of Australia, served its good purpose not only in holding the farmers together but in making further efforts to subscribe additional capital, and the appointment of officers who had more business training than the farmers themselves. Thus at the end of 8 years' pioneer work, the head office was removed to Adelaide, and a number of wheat agencies has been established in the chief centres of the north. Other lines of business, such as the importation of manures, the handling of the farmers' wool and skins, and the purchase of all their Supplies, soon became the policy of the Union, and within a few years the general business community realised that co-operation amongst the farmers had come to stay, and instead of being an obstacle to the movement they worked as harmoniously as it was possible for business opponents to do. Four years after their arrival in the city, freehold property in a prominent position was secured ; thus firmly established, co-operation has advanced ever since, and to-day the company is recognised as one of the, if not the, largest wheat selling agencies in this State, and on a number of wheat seasons it has been the largest shippers of wheat. It does not matter what a farmer produces or what he requires, it can be sold or supplied by his own company. Oats, barley, and hay, are disposed of either in the local or inter-state market. There are auction sales of wool in the season; skin and hide sales are held weekly ; stock of all descriptions are sold at the local abattoirs at their various sales ; auction and clearing out sales are conducted in various parts of the State, and the requirements of the farmers are catered for by the importation of cornsacks, merchandise and hardware of all descriptions, and machinery, including engines. Australia of course being a protected country, much of the machinery used amongst the farmers is manufactured locally, and although the company is not a manufacturer they represent, as agents, many of the principal manufactures in the Commonwealth.

For the purpose of carrying on the various lines of business, large freehold properties have been acquired in Adelaide. Adjoining the offices are machinery and merchandise stores, and a garage for motor cars, and in another part of the city there is a large grain and skin store. At Port Adelaide, the chief port of the State, there are large machinery stores and also leasehold properties, with some 700 ft. of wharf frontage, where wheat, machinery, and other goods, are stored, and where wool in season is displayed for sale. In quite a number of places in the country centres machinery and merchandise depots have been established. One general store exists, and a large building is now being erected in the South Eastern portion of the State to cope with the growing trade in that district. In addition to these, for the purpose of storing wheat, about forty sheds have been erected where the wheat which is stored by the farmers with the company is held during the winter months.

The management is vested in seven Directors, who are elected by the shareholders, and represent the various interests, particularly that of farming, and the general business is divided into Departments with a Manager

for each branch. A monthly paper called *The Farm* is issued to the shareholders free, containing full reports of meetings, balance sheets, and all matters of interest dealing with co-operation generally. Space is given in this to what co-operation is doing in other parts of the world, thus keeping our farmers in touch with the movement generally.

The company has a membership of about 6,000 farmers, being nearly half the farmers in this State, and although worked and registered under the Companies Act, the principle under which the company is worked is purely co-operative, in so far that no farmer is excluded from becoming a member and participating in its benefits, and the profits of the business, instead of as in the ordinary limited company going into the pockets of a few large and wealthy shareholders, are distributed amongst the men who have created the profits, in the shape of dividends and bonuses, after making provision for reserve fund. So far, however, the company has only been built up, and bonuses have not been available, although dividends are usually paid. Whilst there is no limit as to the number of shares any one farmer can hold, when it is pointed out that of the 6,000 shareholders, about 70,000 shares have been allotted, and that the minimum number one farmer can hold is ten, it will clearly show that the shares are fairly evenly distributed amongst the members. To regulate the influence, the voting power is on a sliding scale so that any two farmers holding twenty shares each could out-vote the largest shareholder in the company. As a matter of fact not more than a dozen shareholders have one hundred or more shares and the largest is about two hundred and fifty. There is provision for all farmers to become members of the company, because any can join by paying down 2*s.* as application and allottment fee on their ten shares, and the balance in calls extending over about five or six years. This brings it within the reach of every farmer to become a member. The shares are transferable, but great care is taken in the transfer, and proof must be given of the reason for the transfer. Shares are not acquired or bought back by the company from shareholders.

Three forms of co-operation — production, consumption and credit, — have all been combined in the operations of the company, for the farmers, not only sell through it all that they produce, but they buy from it their supplies, and at the same time it serves as a banking institution for the purpose of financing and assisting the farmers. In this branch of the business large amounts are deposited by the farmers, and this money is again returned to farmers who require it for carrying on their farming operations, and in assisting them in the purchase of their supplies. Farmers also open current accounts through this branch, deposit money, and draw on it with the ordinary bank cheque, and treat the company as their banking institution. To encourage this business, interest is paid for any money that is standing to the credit of the client.

To cope with the large business, Mr. Clement Giles, of 15 Leadenhall Street, E. C., who has had a large experience in the company, was appointed London representative some years back, and all wheat is shipped and sold through him on the London market.

The South Australian Farmers' Co-operative Union, Ltd., therefore represents in a practical form the basis of agricultural co-operation not only in South Australia, the State where co-operation first developed its activities, but it has laid a foundation upon which the co-operative societies which have recently sprung into existence in the other States are building. Its aims and objects are purely co-operative, and it has conferred innumerable benefits upon the farmers generally.

2. The Eudunda Farmers' Co-operative Union.

As might be expected, the farmers concentrating their efforts into one large and successful movement, the smaller local co-operative societies, which in the present day are continually springing into operation, have not existed in South Australia, simply because the farmers realise that in their own company they have all that they require to protect their interests, and that to form smaller and necessarily weaker societies in the co-operative movement is to hamper and hinder the cause of co-operation, as it must necessarily mean the fighting of one small society against another, instead of a combination of all the efforts in one direction.

Outside, therefore, of this large company, there is only one other society, namely, The Eudunda Farmers' Co-operative Union, which has existed amongst the producers, and this was brought into operation in one of the up-country stations from which the society takes it name, about eighteen years ago. A few farmers who had been supplying firewood from off their property to the city market were not satisfied with the result, so they decided to appoint someone to look after their joint interests, authorising him to purchase on their account their household requirements, and to take in exchange firewood, etc. This proved very satisfactory, because by combining they were able to command better prices for the commodities they had to sell, and at the same time were able to purchase their supplies at a cheaper rate, so that in the short space of four years they were able to show about £500 profit after paying all expenses. Later on they extended their operations along the railway line, and were able to dispose of more of the farmers' products at satisfactory prices. They have continued this safe line of business, selling for cash, or else taking produce from the farmers in exchange for supplies, and have opened up a number of agencies throughout the State and at each centre they have either leased or built a store which has formed the centre of operations for that distri t. They have fifteen of these at the present time, and also one trading steamer on the River Murray, which covers a very large district. They have over 2,500 members, and their share capital is £31,000, with a reserve fund of £3,360. They usually declare a bonus of about 5 per cent. on purchases made during the year, and 5 per cent. interest on capital. The grain trade being by far the largest

in this State, and being handled by most companies dealing with the farmers, has only been touched very lightly by this co-operative society. The trade has a speculative element in it which does not find favour with the Directors of the Eudunda Company, and they have very wisely discarded it for the future, but they are working carefully and economically, and have a decided influence for good in the localities where they exist.

§ 3. Co-operative dairying and fruit-drying.

South Australia cannot be considered a great dairying country. There are some splendid centres well adapted for this purpose, and at these some years ago a number of small co-operative dairies existed, where the producers supplied these co-operative butter factories with milk. With few exceptions, these have not proved the success which was anticipated. First because of the large farms and the long distances which milk had to be carted, and secondly, because of the coming into use of cheaper and more economical hand separators which enabled the small dairies to separate their milk and forward their cream to the centres of population where the larger private factories were able to compete with better results against these smaller co-operative societies. So that, anywhere within the radius of 100 miles of Adelaide, the co-operative dairies have ceased to exist.

In the South East district, about three hundred miles from Adelaide, several very profitable co-operative butter and cheese factories are in operation. The conditions are somewhat similar to England, — small fields sown with all the best English grasses, — so that a large number of cows can be kept on a fairly small area. The milk is supplied by the producer to the factory, and the price paid to the producer is worked out on the price which the cheese or the butter realises. Thus the farmers obtain the actual price of their joint product, less of course the cost of the general working of the business. If at the end of the year there is any surplus, a bonus is then paid to the producers in accordance with the amount of milk which they have delivered. A dividend is paid on the capital provided, usually at the rate of 5 per cent. Some of the companies adopt the system all shareholders must be suppliers, and should they supply to any other factory, they forfeit their shares in the company.

A very strong co-operative movement has been started among the fruit growers in the matter of establishing dried fruit factories and the grading of practically all the dried fruit produced in the State. They have several centres in which these factories exist, and the fruit is all graded to different qualities and sold accordingly. It has had the effect of raising the standard, and marketing the fruit in a much better and more even condition than was previously done, and it has brought the production before the public more prominently.

Conclusion.

The question is often asked, What are the benefits of co-operation? A few of the direct advantages gained will answer that question. Besides those already mentioned, and in addition to the advantage in price of wheat, co-operation has had a regulating influence upon fixing the price of wheat on a systematic basis in accordance with the values which are received in the foreign markets, and the farmers are assured that the prices quoted for their wheat are always the ligitimate market rates of the day. In machinery, through their own company importing, prices were reduced to a level leaving a legitimate margin only for profit, and in the importation of super-phosphates the Farmers' Union was the first to reduce rates and bring the price within a reasonable distance of the purchasing price of the outside market.

As previously mentioned, co-operation is only in its infancy in Australia. There are many other agricultural lines which could be extended under the principles of co-operation, and which will develop as the State becomes more thickly populated. Producers as a whole are a conservative class of people, and they would rather endure hardships than disclose their business to anyone else. Co-operation is a matter of education, and it is only by showing the producers what is done in other parts of the world and convincing them that those advantages can be extended to their own special need, that they can be induced to unite for the purpose of assisting one another. The future is before us; the possibilities of Australia are great; and it is co-operation which will aid very materially in making the best of our opportunities. As mentioned in the early part of this article, Australia does not lend itself to co-operation to the same extent as other parts of the world, but still the spirit of co-operation is growing, and the farmers are taking more interest in the movement, and, as the Societies develop, the outcome will be a national co-operative movement throughout the whole of the Commonwealth, which will bring all the producers into line; and instead of each State or Society having its own representative in England, there will be one chief Commonwealth establishment which will represent the whole of the Australian producers. This will mean cheaper handling, a more even and regular supply, and a central distributing agency where buyers can rely upon obtaining pure Australian products.

UNITED STATES.

MISCELLANEOUS NEWS.

1. — THE CALIFORNIA FRUIT GROWERS' EXCHANGE. — The report of the California Fruit Growers' Exchange for the year ending August 31st, 1914, shows that the total sales for the year amounted to 11,262,000 boxes of fruit, exceeding by 3.8 per cent. the sales of any previous year and representing 61 per cent. of the California crop of citrus fruit. For this fruit sold through the Exchange the growers received $ 19,246,000, or an average return of $ 1.71 per box.

The General Manager claims that the selling costs in the case of fruit dealt with by the Exchange are lower proportionately than in the case of any other agricultural product in any part of the world. The actual working expenses of the Exchange organisation, including office expenses, salaries, legal expenses, the cost of the daily telegraphic service and a share of the expenses of the Citrus Protective League, amounted to 4 ¼ *cents* per box, or 1 $^{3}/_{5}$ per cent. of the gross sales. To this must be added 1 ¼ *cents* per box spent by the Exchange in advertising the products which it sells, although, as is pointed out by the General Manager in his report, this expense is to a large extent an investment made to ensure the sale of future crops. But even if the whole of this amount be added to the working expenses the selling costs per box amounted only to 5 $^{3}/_{4}$ *cents*, and the total selling costs to 2 $^{1}/_{5}$ per cent. of the gross sales.

These figures relate to the working expenses of the Central Exchange and the seventy agencies maintained by it. They do not include the expenses of the District Exchanges, which act as intermediary organisations between the growers and the Central Exchange. The average cost of maintaining the District Exchanges amounts to less than one *cent* per box.

During the year 1913-14, the members of the Exchange purchased through the Fruit Growers' Supply Company — an association which, though it has a separate organisation, is in effect a branch of the Exchange — packing material, fertilisers, fungicides, heaters, oil and sundry orchard supplies to the amount of $ 3,319,000, an amount which represents an increase of 50 per cent. upon the business done in any previous year.

The season 1912-13, owing to a severe frost, was a disastrous one for the citrus fruit industry in California, and in that season the Exchange

sold only, in round numbers, 5,000,000 boxes of fruit, after having made arrangements at the beginning of the season for the disposal of an estimated crop of 13,000,000 boxes. It is a tribute to the excellence of the Exchange methods that the industry has recovered so quickly from the misfortunes of the past year and the growers have remained faithful to the association. The Exchange may fairly claim that it has placed the growing of citrus fruits, in California at least, upon a sound paying basis. The element of speculation and uncertainty has practically been eliminated from the industry, with advantage both to the growers and to the consuming public.

The Directors of the Exchange are faced with the need of finding new markets for their fruit, or increasing the demand in existing markets. By regulating the shipments from California in such a way that each market is supplied strictly according to its needs, the Exchange ensures that consumers in every part of the country have a constant supply of fruit of good quality at reasonable prices. This alone increases the demand, and the *per capita* consumption of oranges and lemons in the United States has in fact increased enormously during the last ten years. But a still greater increase must take place if California growers are to find an outlet for their rapidly increasing production, and the California Fruit Growers' Exchange carries on an active advertising campaign with the object of popularising the consumption of oranges and lemons by making known their valuable food properties and instructing the public in the many different methods of preparing them. Unless by some such means the demand can be made to keep pace with the increased production due to the fact that young groves are now reaching the bearing stage, the stability of the whole industry will be seriously threatened by the fall in prices which must inevitably result from an overabundant supply.

The Exchange seems to have secured the support of a large number of the growers, and with its past record of success achieved under trying and difficult circumstances should be able to face the future, and the problems which the future may bring, with complete confidence.

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2. — THE CALIFORNIA ASSOCIATED RAISIN COMPANY. — Many unsuccessful, or but partially successful, attempts have been made from time to time in the past to organise the growers of muscatel raisin grapes into a co-operative selling association. The *California Raisin Growers' Association*, formed in 1898, succeeded in holding the growers together for six years, but was dissolved in 1904. Another organisation — the *California Raisin Growers' Company* — was formed in 1905 and was dissolved a year later. Finally, the present association came into existence on April 1st, 1913, as the *California Associated Raisin Company*.

The company has a paid up share capital of $ 1,000,000 held by growers, packers, bankers and business men in the raisin-growing district of which the town of Fresno is the centre. Its principal business consists in buying raisins from the growers and selling to the packers. It began business at a moment when the market was in a most depressed state. The raisin crop of 1912 was the largest ever grown in California and when the Associated Raisin Company was formed some 30,000 tons of this crop were still in the hands of the growers, unsold. With the capital it had in hand the company bought the bulk of these raisins at a fair price and disposed of them gradually to the dealers and packers, who in a very short time acquired confidence in the power of the company to keep prices steady, and began to buy freely. The whole market was reanimated, and the company without any difficulty sold the part of the crop remaining from 1912 and the whole of the 1913 crop as well. It was certainly a fortunate circumstance that the latter crop was a short one, amounting to only 70,000 tons, or 10,000 tons less than the normal crop and 40,000 ton less than the abnormally heavy crop of the preceding year. Helped by this circumstance the prices secured by the company averaged $ 70 a ton as against $ 40 a ton which was the price which the growers were receiving at the beginning of 1913.

At the latter price the growers were not receiving even a living wage in return for their labour. Between four and five thousand growers consign their crop to the Associated Raisin Company, the average individual holding being rather less than 20 acres, so that the rise in prices has brought prosperity to a very large number of hard-working farmers and their families. The small size of the single holdings precludes the idea of making a large fortune out of growing muscatel grapes, but instead of losing money after a year of hard work the grower is now in a position to make a profit of from twenty to twenty-five dollars an acre.

It is worth noting that this result is due, not to any improvement in the quality of the product or to any restriction upon the supply, but solely to the fact that the company, controlling 90 per cent. of the total output, has been able to keep prices stable. The market in past years had been ruined, not by low prices or by high prices, but by fluctuating prices. With prices changing almost from day to day the wholesale dealers refused to buy on their own account, and bought only the small amounts that were ordered by the retail dealers. The retail dealers made no attempt to increase their sales, as they knew that a fall in prices in the wholsesale market, after they had made their purchases, might at any moment leave them with an unsaleable stock on hand. The action of the Associated Raisin Company in keeping prices reasonably stable has made it possible for large and small dealers to keep considerable stocks on hand, with the result that they have had every inducement to promote sales and the *per capita* consumption of raisins in the United States has increased greatly in the last few years. It is still very low compared with the consumption in England, and with the object of increasing it, and thus creating a market

for the increased supply, the company is carrying on an active advertising campaign.

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3. — THE FORTY-EIGHTH ANNUAL SESSION OF THE NATIONAL GRANGE. — The forty-eighth annual session of the National Grange — the central directing body of the Order of Patrons of Husbandry — was held at Wilmington, Delaware, from November 11th to 20th, 1914.

The figures submitted to the delegates by the National Treasurer show that the financial position of the Order is excellent. The invested funds, together with accrued interest, amount to $ 77,240, and the cash balance in hand at the end of the year after paying all expenses to $ 22,750, thus bringing up the total assets to $ 99,990. The receipts consist chiefly of the regular contributions paid to the National Grange by the State Granges in proportion to their membership, and it is interesting, as indicating the strength of the Order in the different States, to examine the amounts thus paid. The State of New York heads the list with $ 5,434; Pennsylvania stands second with $ 3,672; Maine third with $ 3,495; Michigan fourth with $ 2,448; and then follow, in order of importance, Ohio, New Hampshire, Massachusetts and Vermont, each of which paid in dues to the central treasury more than one thousand dollars; and Kansas, Washington, Connecticut, and New Jersey, each of which contributed more than five hundred dollars.

The *National Grange Monthly* — the Grange official publication — in the number for November, 1914, give a list of 32 States in which State Granges exist; but no figures are presented as to the total number of members in the Order. During the past few years the Grange has been carrying on an active extension propaganda, and during the year ending October 31st, 1914, the sum of $ 12,000 was devoted to extension work. The financial policy for the future, as decided upon at the annual session, is to raise the permanent investment fund as quickly as possible to $ 100,000, maintain it constantly at that level, and devote any further surplus of income over expenditure to the work of propaganda.

The reports submitted at the session by the delegates from the various States show that the Grange remains faithful to the ideals of social and educational progress which have inspired it since its foundation nearly sixty years ago, while it continues to hold a watching brief for the farmers in political discussions both in the State legislatures and in Congress. The reports show the Grange working in association with the State Agricultural Colleges, the Federal Department of Agriculture, and with other farmers' organisations, for the promotion of agricultural education, for the extension of the rural postal system, for the construction of better roads, for the conservation of the country's natural resources, and for the formation of farmer's co-operative societies.

In the matter of co-operation the Grange is proceeding with commendable caution. There are still within the Order many of the older generation of farmers who remember very clearly the disasters which overtook the co-operative enterprises launched by the Grange in the early years of its existence; and they naturally counsel prudence. In a tentative way the Grange farmers are once more combining with the object of buying and selling co-operatively, but the attempts are all upon a modest scale and nothing but the simplest and safest forms of collective purchase and sale have so far been undertaken, while some progress has been made in the formation of farmer's mutual fire insurance associations.

One recent development of the educational work of the Grange is of particular interest. This is a scheme for the provision of loans at very low rates of interest to deserving students who have not the necessary means for continuing their education in an agricultural or normal college. A certain sum of money is usually set apart out of the funds of the State Grange, and approved students may borrow up to the amount so set aside. In some cases the amount is paid over at once to the treasurer of the State Agricultural College to be administered by him at his own discretion. In some cases, again, — in Missouri, for instance — the loan fund has been raised by public subscription and is administered by the Grange. The whole movement is still on a very small scale but its usefulness is already beyond dispute. It is in keeping with the best traditions of the Grange work on behalf of progress in education, and there is every probability that it will become increasingly popular.

In every State in which it is represented the Grange lends its active support to the movement for the provision of good roads in the rural districts; but its support is qualified by its uncompromising opposition to any borrowing by the State for carrying out road construction work. It is not difficult to understand this attitude on the part of the Grangers who are consistent opponents of credit transactions of any kind, and who naturally wish to apply the same principle of prompt cash payment to public business; though it might be urged that the cost of constructing permanent roads is really an extraordinary expense which ought in fairness to be charged to capital and should not fall wholly upon income. There can be no injustice in throwing upon future generations a part of the cost of improvements of which they, as well as the present generation, will reap the benefit.

The Grange in its annual session usually discusses and votes upon current political and social questions whether directly affecting agriculture or not. Thus in the Wilmington session formal resolutions were passed in favour of woman's suffrage and of government ownership of telegraph and telephone lines, and against shipping subsidies, unrestricted immigration, and unnecessary expense in connection with the election of public officials. The Order claims with justice to be the most important farmers' organisation in the United States, and the resolutions passed in the annual session are of considerable interest as indicating the trend of opinion

among the farmers who, in spite of America's rapid industrial development, still form the most important group of workers in the community.

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4. — LOUISIANA SWINE BREEDERS' ASSOCIATION, — The Louisiana Swine Breeders' Association founded on January 8th, 1913, at the Farmers' Demonstration Conference held at Baton Rouge under the auspices of the State University, has grown into a strong organisation with more than a hundred active members and nearly twelve hundred affiliated members. The active members are breeders of pure-bred stock, or farmers who raise pigs for the market; while among the so-called affiliated members are included country bankers, teachers of agriculture, commission dealers, packers and other persons interested in increasing and improving the live stock of the State.

From the breeders' point of view the Association offers the best means of getting into touch with farmers who wish to buy pure-bred pigs for the purpose of improving the quality of the stock they are breeding for the central markets. The farmers look to the Association to assist them in obtaining better marketing facilities and better protection for their stock from contagious diseases and animal pests. The bankers lend their support because they are convinced that the future prosperity of Louisiana, and of the whole of the South, depends very largely upon the introduction of diversified farming, which implies, necessarily, a very great increase in the number of head of live stock of all kinds on Southern farms.

According to an article in the *Rice Journal and Southern Farmer* the Association needs in the first place to devote its energies to stamping out hog cholera in Louisiana. The measures already undertaken by the State Live Stock Sanitary Board have yielded excellent results but have been quite inadequate in view of the vast extent of territory affected and the rapid increase in the number of pigs in the State. The Association insists that the annual appropriation for the work of the Sanitary Board shall be increased to an amount commensurate with the task upon which the Board is engaged.

The work of providing transport and selling facilities is undertaken by a special committee — the Shipping and Marketing Committee — of the Association, assisted or at least advised by members of the staff of the State University. The Committee has begun its work by organising regular shipments of pigs in carload lots, combining the small consignments of individual farmers in one locality into a single consignment of about a hundred head, and despatching such a consignment to the central markets at regular intervals. The method is one which has already yielded excellent results in the North Central States where live stock shippers' associations are numerous. By adopting it the farmers effect a very consider-

able saving in freight and the numerous incidental charges (for loading, weighing, feeding and watering stock on long journeys, etc.) which make up the total cost of transport, while at the same time they receive more consideration from the commission dealers to whom they consign their stock, who are apt to pay but little attention to the small consignments of the individual farmer, but who are usually anxious to secure the business of an association in a position to send large consignments to market regularly.

A gratifying feature of the work of the Association is its close connection with the agricultural extension work of the Louisiana State University. Southern farmers upon the whole understand but little of the art of breeding and caring for live stock, yet if farming in the South is to be raised from the level of a speculative occupation to that of a sound, remunerative industry, it is essential that they should turn their attention to this branch of agriculture. In spreading throughout the State the necessary knowledge of scientific breeding and feeding, the Association and the University can be mutually most helpful.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CO-OPERATION AND ASSOCIATION.

AUSTRIA.

MANUALE DEL COOPERATORE. Raccolta di istruzioni per consorzi cooperativi (*Co-operator's Manual. Instructions for Co-operative Consortiums*). Published by direction of the Federazione dei Consorzi cooperativi per la parte italiana della provincia di Trento. Trent, 1914. Press of the Trent Diocesan Committee. 486 pages.

The Federal Council of the Rural Banks and Co-operative Associations of Trent decided, at its meeting of February 23rd, 1912, to publish a series of practical manuals for the assistance of co-operators in the administration and management of the numerous credit, distributive and production co-operative societies that have arisen in the district of Trent. The compilation of these manuals has been entrusted to Signor G. Margoni, who has now published the first, which contains a collection of general instructions necessary for those engaged in co-operative work. The volume consists of 56 chapters, to which is added an Appendix.

It is arranged on a very useful practical system and supplies a great need; in fact the lack of a book of this character, a safe guide in all branches of the administration and book keeping of the economic consortiums had been felt in the district of Trent, where co-operation has become firmly rooted. After giving a clear definition of the co-operative idea and the classes into which co-operation may be divided, the volume goes on to treat of the constitution of the co-operative consortiums, the registration of these consortiums in the proper books, the submission of the Rules to the *Capitanato*, the registration of any alterations in the rules and new members of the boards of management, collective registration in the registers of consortiums, inspection of the co-operative consortiums, the registers, the members, withdrawals from co-operative consortiums, transfers of shares, remuneration of officers, internal regulations, industrial taxation of co-operative consortiums, direct taxes, the whole body of the members of the co-operative societies, sale on credit to third parties, articles offered for sale and taxes and customs dues to which they are subject, insurance against fire, sickness and accidents for the staff in the service of the co-operative associations, rural loan and savings banks, income tax, the facil-

ities accorded by law to the rural loan and savings banks and many other subjects connected with the administration and book keeping of these consortiums; organization of co-operation in the Trent district, insurance of pensions for private employees, dairy societies, wine societies, bills of exchange, cheques, money, weights and measures; the last chapter, finally, gives model rules for co-operative consortiums.

The book concludes with an appendix containing twelve laws relating to or directly affecting co-operation in Austria.

We may say that nothing is lacking in this volume that could be of practical use to the managers and staff of co-operative societies; it is therefore certain that it will be read widely in Austrian co-operative circles generally and especially in those of Trent, for which it is intended.

JAHRESBERICHT ÜBER DEN STAND DER MILCHWIRTSCHAFT IN DEN IM REICHSRATE VERTRETENEN KÖNIGREICHEN UND LÄNDERN ZU ENDE 1912. Nach amtlichen Quellen zusammengestellt im K. K. Ackerbauministerium. (*Report on the Dairy Industry in the Kingdoms and Countries represented in the Imperial Parliament. Compiled from Official Information in the Department of Agriculture*). Vienna, 1914. K. K. Hof- und Staatsdruckerei, 8vo, 232 pages.

The above report consists of two parts: the first contains a summary of the situation of the dairy industry in the various provinces, except Carniola, Salzburg and Vorarlberg, for the Year 1912; the second gives statistics of the dairies working in 1912, those only being considered that treat 50,000 kilogrammes of milk a year, or, in the case of the accounts being made out for periods of less than a year, an average of 150 kg. per day.

This second part which is concerned with the statistics is in its turn subdivided into three large parts: the first giving statistics of the schools and institutes interested in the industry, and the figures showing their respective dairy production; the second containing statistics of the co-operative societies, both registered and independent, that is to say dairy societies (*Molkereigenossenschaften*) and Alpine Dairies (*Alpensennereien*): The principal figures given relate to the number of dairies, the mode of working (whether by means of hydraulic power, electricity, steam, gas, benzine, by hand etc.), the number of members, the number of shares, the length of the working period, the quantity of milk received, sold or treated, the production etc.

The third subdivision contains statistics of private dairies giving the same particulars as in the case of the dairy societies, except, of course, those concerning the constitution of dairy societies on a co-operative basis.

The work is of great importance for an appreciation of the great progress made in Austria by the dairy industry and above all as showing the progress made by the co-operative idea in this branch of the national economy; in spite of the fact that much of the information given in the Report is not the very latest.

We shall return to the subject hereafter.

BRITISH INDIA.

ANNUAL REPORT (FOR THE YEAR 1913-14) ON THE WORKING OF CO-OPERATIVE SOCIETIES IN: (1) BOMBAY PRESIDENCY INCLUDING SIND; (2) COORG; (3) ASSAM. Government Publications. 1914.

In these three provinces of British India the co-operative movement has continued to make very satisfactory progress during the year 1913-14. The increase in the number of societies, the number of members and the amount of working capital may be shown in tabular form, thus:

	Bombay Presidency.	Coorg.	Assam.
Societies.			
1912-14	515	22	188
1913-14	698	22	249
Members.			
1912-13	46,221	2,320	10,945
1913-14	66,704	2,440	13,629
Working Capital.	Rs.	Rs.	Rs.
1912-13	48,47,763	91,434	5,56,098
1913-14	66,13,135	1,06,020	6,84,805

In the report on the working of societies in the Bombay Presidency the references to the Central Co-operative Bank are of particular interest. The Bank was founded in 1911 to provide a strong central credit institute for co-operative societies throughout the Presidency. That it has fulfilled this function well may be concluded from the fact that during the year under review, in spite of a grave financial crisis which drove many joint-stock banks into bankruptcy, the Central Co-operative Bank was never forced to stop or curtail its lending business or raise its rates. At no time was it in the slightest danger and its position seems now as strong as ever. It is worth noting that the number of shareholders has slightly declined during the year, and that for the first time a number of registered societies have become shareholders.

The majority of the co-operative societies in British India are agricultural credit societies each comprising about 40 members and doing business on a very modest scale. The opinion of the Registrar in Bombay upon the working of the agricultural credit societies in the Presidency is somewhat

significant. He says: "Of the 568 agricultural societies now existing I estimate that about 150 are excellently managed and about 250 more are in a sound and satisfactory condition. The remainder are crippled by defects which may be ascribed, not to the system upon which they work, but to their failure to adhere to that system faithfully".

The most interesting part of the co-operative movement in the small province of Coorg is the formation of mutual cattle insurance societies. There are now 9 of these societies insuring 558 head of cattle for a total value of Rs. 6,212.

In Assam, in addition to credit societies, there are several weavers' societies, one co-operative distributive store — the management of which is, in the opinion of the Registrar, not yet satisfactory — and one co-operative dairy which was not registered until March, 1914, and about which, therefore, it is too early yet to speak.

The reports contain tabular statements in detail of the progress and financial position of the societies of each type (Central, Agricultural and Non-agricultural), including statements relating to Central Societies and Agricultural Societies which are specially prepared each year for the use of the International Institute of Agriculture.

SWITZERLAND.

XI. Jahresbericht des Schweizerischen Raiffeisenverbandes (Eingetr. Genossenschaft mit beschränkter Haftpflicht) über das Jahr 1913. (*Eleventh Report of the Federation of Swiss Raiffeisen Banks* [*Registered Consortium, Limited*] *for the Year* 1913) Frauenfeld, 1914. Buchdruckerei F. Müller, 8vo.

The annual report of the Federation of Swiss Raiffeisen Banks at once in its preface reveals the insufficient organization of co-operative credit, in Switzerland. And, indeed, in spite of the progress made by the Swiss rural banks in recent years, they are not yet firmly enough established to succeed in satisfying the requirements of Swiss agriculture. There are in Switzerland, as the report we are summarising shows, whole regions where there are no institutes of the kind; elsewhere again they are insufficient in number and lack vitality.

The statistics for 1913 were as follows:

Number of Banks		165
Number of Members		11,507
Total Business Done	Fr.	50,220,170.25
Total Debits and Credits	»	27,444,310.81
Number of Depositors		29,549
Savings Deposits	Fr.	12,832,339.90
Reserve Fund	»	474,880.74

A glance at the statistics of the Raiffeisen Banks for the period 1903-1913, however, at once shows the progress made by the co-operative idea as applied to agricultural credit; we may indeed say that in 1903 agricultural co-operative credit was only at its commencement in Switzerland, where there were only 25 banks with 1,740 members, a total business of 6,000,000, francs, debits and credits amounting altogether to 1,765,000 frs., 2,323 depositors, about 500,000 frs. deposited and not more than 10,500 frs. in the reserve funds. The progress, therefore, since 1903 has been very great, in spite of bad seasons, financial disasters, a scarcity of money and a fall in price of certain agricultural products (the price of milk, for example, fell between three and five centimes the litre), preventing an even more considerable development of this class of credit institutes. The Raiffeisen banks, however, had not to suffer to the same extent as the other credit institutes from this state of things; it must also be noted that their financial situation went on improving even during 1913, so that it may be expected that they will make even greater progress and attain an even greater independence of the other credit institutes. When they have become quite independent of other banks they may be made entirely dependent on the Federation even in financial matters, which is one of the surest conditions for the solidity of co-operative credit institutes.

Part II: Insurance and Thrift

BELGIUM.

BELGIAN UNEMPLOYMENT BENEFIT SOCIETIES.

OFFICIAL SOURCES:

LES BOURSES DU TRAVAIL EN 1913 (*Labour Exchanges in* 1913). *Revue du Travail*, published by the Belgian Labour Office, No. 11, Brussels, June 15th., 1914.

RAPPORT RELATIF A' L'EXÉCUTION DE LA LOI DU 31 MARS 1898 SUR LES UNIONS PROFESSIONNELLES PENDANT LES ANNÉES 1908-1910 (*Report on the Application of the Law of March* 31st., 1898 *on Professional Unions in the Years* 1908-10), presented to the Legislative Chambers by the Minister of Industry and Labour. Social Insurance and Thrift Office. Brussells, Dewit, 1914.

DIE ARBEITSLOSENVERSICHERUNG IM IN- AND AUSLAND. (*Insurance against Unemployment in Germany and Abroad*). Publications of the Imperial Statistical Office. Labour Statistics Division. Supplement to the Reichs-Arbeitsblatt. Berlin, no. 12. December, 1913.

ASSOCIATION INTERNATIONALE POUR LA LUTTE CONTRE LE CHÔMAGE. Rapport relatif à l'activité de l'Association pendant les années 1910-1913 (*International Association on Unemployment. Report on its Work in the Years* 1910-1913). In: *Bollettino dell'Ufficio Italiano del Lavoro*. Rome, no. 16. August 16th., 1914.

OTHER SOURCES:

VERMEERSCH (A.) and MULLER (A.): La législation et les œuvres en Belgique (*Legislation and Social Institutions in Belgium*). Paris. Alcan, 1909.

Among the social economic institutions of Belgium, those making provision against unemployment are among the most interesting and characteristic. In this field, indeed, Belgium has served as an example to many other countries, that have imitated its institutions, adapting them to meet their own requirements. It is well therefore to examine the manner in which the relief of the unemployed is organized.

§ 1. Unemployment benefit societies of the labourers' organizations.

In a former number of this Bulletin (1), we dealt with the professional Unions of Belgium and saw that those formed of workmen occupy themselves principally with the study of the means for relieving the unemployed. Some of them have founded for the purpose *unemployment benefit societies* among their own members, for the purpose of grantig subsidies to members unemployed owing to circumstances independent of their own will.

Although the lack of statistics that might render it possible to calculate the average unemployment in the various provinces, together with certain economic facts that complicate the problem, make it difficult to estimate the risk, still some results have been attained.

As in fact appears from a report presented in 1914 in the Belgian Parliament by the Minister of Industry and Labour (2), out of 512 workmen's unions legally existing at the end of 1910, 190 had unemployment funds and 84 of these had collected during the year from their own members (7,106), 25,279.70 frs. in special contributions for the unemployed, an average of 300.94 frs. per union and 3.55 frs. per member.

From the above report we see besides that last year the unions giving compensation for compulsory unemployment were 275, and the amount given was altogether 76,210.65 frs. (or an average 277.12 frs. per union). It is evident from the above that the unions do not collect from their members the whole amount of these special contributions towards the subsidies they give, and they have instead to utilise for the purpose the ordinary funds of the syndicate bank.

The number of days of unemployment for which compensation was given amounted altogether in 1910 to 55,517 and the number of workmen assisted to 5,446. Every workman was on an average assisted for 10 days with an amount of 13.88 francs.

The organization of these banks varies greatly and the same may be said of the principles on which they work. Owing to want of sufficient experience, the relation between the contributions and the compensations given has up to the present been settled in a rather empirical fashion. And provision is only made for a small portion of the working class, the members being recruited solely from among workmen affiliated to professional unions.

Let us now see how the public institutions intervene to encourage and promote thrift on the part of workmen in view of possible unemployment.

(1) See *Monthly Bulletin of Economic and Social Intelligence*, August, 1914, pp. 1 et seqq.
(2) See the sources indicated at the head of this article.

§ 2. Subventions from the communal authorities: unemployment funds.

The authorities began to make systematic provision against unemployment in 1897, when the Liège Provincial Council voted a subvention of 1,500 francs to the mutual unemployment benefit societies.

This form of intervention was soon largely extended, the communes forming special "unemployment funds". The first was instituted in Ghent in 1899.

Starting from the principle that every effort made by the workmen (on salary or on wages) to defend themselves against compulsory unemployment must be encouraged, the Ghent communal administration decided to grant certain credits to increase the amount of the compensations paid by the above unemployment societies to their members and entrusted a special committee with the distribution of these subventions.

The associations that desire that their members may benefit by these subventions must submit to the conditions with regard to organization and inspection laid down in the regulations. The committee administering the Fund arranges for an inspector to inspect the work of the unemployment society in accordance with which the communal subvention is calculated. Reduced to its simplest expression: *the Ghent System* (1) means a subvention to the individual unemployed workmen, granted through the medium of the syndicate, which advances the money and is repaid at the end of the month. The subvention is substantially an addition made, at a definite rate, to the compensation granted by the syndicate to the unemployed members in accordance with the rules, for a period of no more than 60 days a year per workman, and may amount to a maximum of 100 per cent per franc of the original compensation per day.

Similar subventions are granted on the basis of the savings of the unemployed who save individually or collectively in view of possible compulsory unemployment.

Recently, the president, M. L. Varlez, in the name of the Committee administering the Fund, proposed certain reforms to be made in the above system. These proposals related to the following matters (2):

(*a*) At first the Fund was to have been a purely local institution, dependent only on the commune of Ghent, but gradually also the suburban

(1) This system has been applied in Italy with success in the "Cassa di sussidio alla disoccupazione" (*Fund for the Benefit of the Unemployed*), instituted in 1905 by the *Società Umanitaria* of Milan. See the number of this Bulletin for July, 1914. pp. 51 et seqq.

(2) See the *Bollettino di Notizie sul Credito e sulla Previdenza*, published by the Department of Agriculture, Industry and Commerce of the Kingdom of Italy (General Management of Credit and Thrift), No. 5, September-October, 1912.

communes began affiliating themselves to it, and it was necessary to allow their claim to share in the administration of the Fund, and to send representatives to the Committee with right to vote. The Committee of the Fund, with the object of reconciling this right of the suburban communes with the claim of the delegates of the commune of Ghent to have the chief share in the administration of the Fund, proposes that every Commune should have a number of votes corresponding with the amount of the subventions it pays.

(*b*) It is proposed further to give a place among the rules of the society to the byelaw that makes the entry of the name of the unemployed workman on the register of the Labour Exchange a necessary condition of his receiving the communal subvention.

(*c*) In virtue of its early rules, the Fund could and did effectually continue the grant of compensation from the commune to the unemployed who had drawn the full amount to which they were entitled from the syndicate. For this purpose, a credit was opened to the account of every unemployed workman for the amount that would have been due to him as subvention from the commune if this were calculated at the maximum rate of 100 % of the compensation granted by the syndicate instead of at a lower rate. The unemployed workman, after the lapse of the period for which the syndicate gave him a subvention, received from the Fund an additional subsidy of three francs a week, until the credit was exhausted. The Committee now proposed to make this a Rule.

(*d*) The fund now benefits the members of the syndicate unemployment insurance societies, syndicate savings banks, insurance societies and the savings banks not belonging to syndicates and those workmen who save independently. Thus there are five classes benefited by it. Its eclecticism is an argument the advocates of the Ghent system bring forward, when the system is accused of being too favourable to the syndicate movement. On the other hand, the system is accused of excessive encouragement of those saving individually, to whom the commune grants subventions to the amount of 60 % of their deposits. In reality, however, almost all those who benefit by the communal subventions are members of syndicates. The Committee of the Fund proposes to change this condition of fact to one of right and refuse the claim to communal subventions on the part of those who save independently and of the members of savings banks not belonging to syndicates.

The system of Ghent, above mentioned, is in high favour: on the one hand, by effect of it, unemployment insurance has become general in the workmen's syndicates ; on the other, many communes will soon follow the example of Ghent, in 1904 in fact there were already 12 communal unemployment funds ; three others were organized in 1905, four in 1906, five in 1908, etc. And now there is not a city of more than forty thousand inhabitants but has its unemployment fund.

Generally, they are all founded on the model of that of Ghent. The Liège Fund differs somewhat, as it gives collective quarterly subventions to the affiliated unemployment societies.

There is a constantly increasing tendency in favour of intercommunal Funds and already some have been formed.

Each Fund, whether communal or intercommunal, works independently within the limits of its own district.

In 1910 there were 22 Funds working, to which 50 Communes and 362 syndicates adhered. During that year the subventions granted by the Funds amounted to 88,781.14 fr. against 199,798.16 fr. paid by the affiliated syndicates.

Besides granting subsidies to the communes the provincial administrations also grant them to the professional unions that have instituted societies to give assistance in case of compulsory unemployment; the amount of the subventions and the rules in accordance with which they are granted vary from province to province.

The State also grants subventions for the same purpose. Since 1907, indeed, the Department of Industry and Commerce has had at its disposal an annual credit for the purpose of the encouragement of the free labour bureaux and the unemployment benefit societies.

Up to the present, three kinds of institutions have received State subventions: the Communal Funds, the Unemployment Societies affiliated to them and the recognized professional unions not affiliated. In the case of the latter and of the affiliated societies, the subventions supplement the compensations granted to the unemployed members of the associations.

In 1910, subventions were granted to the amount of 18,124 frs., 2,760 frs. being granted to the Communal Funds, 13,809 frs. to their affiliated societies, and 1,555 frs. to recognized professional unions.

To-day about 400 syndicates are receiving public subventions: in 1912, they received altogether 222,126 fr. in subventions, 147,385 fr. from the Communes, 49,830 fr. from the Provinces and 24,911 fr. from the State.

§ 3. The labour exchanges.

Both on private initiative and on that of the communal and provincial administrations, free public labour bureaux have been founded in Belgium, under the name of Labour Exchanges, in the various parts of the country, for all workmen.

The Labour Exchanges centralise the supply and demand for labour and help workmen to find employment.

They make provision for this purpose: (*a*) in the first place by opening establishments in which the employers and employees may meet and make arrangements; (*b*) by publishing the applications they receive; (*c*) by informing those concerned of the corresponding supply and demand.

There are four kinds of Labour Exchanges: 1. The Communal Exchanges; 2. Semi-Official Exchanges, placed, that is to say, under the supervision of the Commune and under the Management of a Mixed Com-

mittee with representatives of the Commune ; 3. Exchanges formed by Associations, amongst which we may note those founded by professional Unions of Workmen and Clerks ; 4. Purely Private Exchanges.

Like those previously mentioned, these institutions receive subventions from the Communes, the Provinces and the State. The latter has in fact since 1904 granted subsidies to the Exchanges that observe certain rules.

At the end of 1913 there were 49 Exchanges recognized by the State. To 43 of those that were working in 1912 the State granted subsidies in 1913 to an amount of 29,370 frs. Seven Exchanges, founded in the course of 1913, received each a subsidy of 200 francs as contribution towards their first instalment. The two Exchanges of Louvain and Namur, which had founded special departments for the employment of women, each received a subsidy of 150 francs.

The provinces and communes have also given their support to the free labour bureaux. The subventions granted by the former amounted to 11,227 frs. ; those granted by the communes to 33,101 frs.

A certain number of communes also assist the Exchanges by furnishing them with rooms, providing clerks, etc.

With regard to the work of the Exchanges, let us observe that in the course of the year 1913, they received altogether 88,188 applications for employment (67,489 or 76 ½ % from men, and 20,699 or 23 ½ % from women).

The number of the applications and that of the Exchanges in each of the years from 1904 to 1913 is seen in the following table :

TABLE I. *Number of Applications for Employment in each Year from* 1904 *to* 1913.

Years	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913
Applications	20,461	17,156	19,258	23,808	39,852	51,576	60,066	69,694	71,204	88,188
Number of Exchanges	10	10	10	12	14	17	29	37	43	49

On the other hand, the offers of employment increased in 1913 to 74,700 (55,083 or 74 % for men and 19,617 or 26 % for women).

We give below the number of offers of employment made to the Exchanges for each year between 1904 and 1913 :

TABLE II. *Number of Offers of Employment for the Years from* 1904 *to* 1913.

Years	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913
Offers . . .	13,303	14,436	16,312	18,520	21,592	27,970	40,752	55,975	64,801	74,700
Number of Exchanges	10	10	10	12	14	17	29	37	43	49

Finally, the number of individuals for whom employment was found in 1913 was altogether 43,739; 33,010 (75 %) men and 10,729 (25 %) women.

Comparing the supply and demand and the employments found, we see in 1913 that there were 123 applications for work per 100 offers of employment (113 in 1912, 125 in 1911, 152 in 1910); and 49.5 % of those applying found employment (50.6 in 1912, 45 in 1911, and 41 in 1910), and 58.5 % of the situations offered were filled (56 in 1912, 57 in 1911, 61 in 1910).

But for the more effectual success of the efforts of the Exchanges, the exchange of communications between them must be arranged and perfected. In this consists the advantage of Federations, which also for this class of institutes are an element of strength. Let us mention the Federation of the Limbourg Labour Bureaux, the object of which is precisely the interchange of applications for and offers of employment, and the National Federation of Labour Exchanges, founded at Liège in 1902.

§ 4. "*Maisons du travail*" and other remedies for unemployment.

In times of considerable unemployment many Communes have decided to construct roads, clear land, remove rubbish, etc. In order to prevent a crisis in the hardware industry, the State gave a contract for the supply of the railways.

Further defence against unemployment is afforded to the workman by auxiliary industries carried on at home; thus, in the country, he may occupy himself in many domestic industries.

Benevolent institutes have been founded on private initiative to obtain needlework and embroidery for the women to do, and woodcarving work etc. for unemployed men. There is a form of benevolence in use in the *Maisons de Travail*, which cannot be two much admired from the point of view of utility and thrift. Charitable persons, instead of giving alms to those in need, give them tickets for work to be done in the establishment, at the rate of 20 centimes the hour.

But the best labour establishments seem to be those in connection with the professional unions. Here the dignity of the workmen is fully

respected ; for work perfectly corresponding with his capacity he receives, in fact, the usual rate of pay and so cannot find it humiliating.

Finally, those unemployed through idleness or of necessity find a last refuge in prisons, in which they are confined by judicial sentence, in mendicants' homes or in benevolent agricultural colonies.

§ 5. International association on unemployment.

On September 21st., 1910, the members of the International Unemployment Conference held at Paris decided, as we know, to form an " Association internationale pour la lutte contre le chômage " (*International Association on Unemployment*), divided into various national sections, but with the general office at Ghent. The Belgian section is one of the most important and includes more than a hundred organizations and individual associates. The object is to establish a permanent bond between the various institutions that, under various forms, have engaged in the struggle for the reduction of the unemployment of workmen, so as to harmonise their various efforts and encourage the necessary studies for an efficacious action.

We think it well to give some information on the subject.

In the first place, the Association has two classes of members: those immediately of the international central society and those belonging to the national sections of it.

The first are rather few and tend to diminish with the successive foundation of national sections : there are now 35, 15 of them in Europe and 20 outside of Europe ; although few in number, they have weight for the future of the Association, since they belong to fourteen different countries and on the activity of their propaganda depends the constitution of new sections.

By far the most of the members, however, belong to the national sections and they again are divided into two classes : those called regular members to whom the Bulletin of the Association is sent and who pay 5 francs a month and the members depending on the national body who do not receive the Bulletin and whose numbers it is difficult to calculate.

Many of the adherents are collective bodies, amongst which there are 169 public social institutions and 80 public offices of various kinds (Government offices, official insurance organizations, Chambers of Labour, etc.).

The large cities of Europe have adhered to the organization and even many associations have become members. Amongst the latter there are 57 associations of workmen and clerks, 42 employers' associations, 51 different scientific associations and institutions.

Altogether there are 1,046 members, of whom 647 were individual members, 9 Governments, 30 provinces, 130 cities, 17 Government offices, 12 national or provincial insurance societies, 21 Labour Exchanges, 17 Unemployment Funds, 13 Municipal offices, 57 workmen's syndicates, 41 masters' associations, and 51 miscellaneous associations or institutions.

The national sections the rules of which are already or will be shortly approved are represented by the following countries: Holland, Spain, Germany, Austria, Belgium, France, Great Britain, Hungary, Italy, Luxembourg, Sweden, Switzerland, Denmark, United States, Finland and Norway.

During the short period of its existence the association has already carried out a large part of its extensive programme, which in fact included:

(*a*) The organization of a permanent international secretariat to centralise and keep at the disposal of those concerned the documents and information relating to the various aspects of the relief of unemployment in the various countries;

(*b*) the organization of periodical, public and private international meetings;

(*c*) the organization of special research into the more important aspects of the unemployment problem;

(*d*) the publication of essays on unemployment and of a bulletin;

(*e*) the exercise, in connection with the private institutes and governments of every country, of action for the promotion of legislation, for the collection of comparative statistics, and for the conclusion of agreements and treaties in relation to unemployment.

Now, with regard to each of these items, the road has been prepared and, in the case of some, great progress has been made.

In fact a general office has been established at Ghent; a publishing office has been founded in Paris and a complete bibliography on the subject is in course of publication.

Besides, since the first year of its existence, the Association has published a Bulletin, containing, in addition to the chronicle of the most notable events and the proceedings of the society, the text of the principal laws on unemployment. Every three months it intends to publish a complete study of the most important aspects of unemployment.

Interesting monographs have also been published, especially on the following subjects. 1st. Insurance against Unemployment; 2nd. Recruiting of Workmen; 3rd. Emigration and Recruiting of Farm Labourers; 4th. Assistance to the Unemployed; 5th. Statistics of Unemployment.

Important work has also been done by the various national sections, which have taken different measures in regard to insurance against unemployment, the recruiting of labour, professional assistance and education, and have published bulletins, books and pamphlets for purposes of propaganda.

In order to enlarge its own field of action, the Association has recently entered into an agreement with the International Committee of Social Insurance and the International Association for the Legal Protection of Labourers, on the basis of a collective propaganda in the countries outside Europe and the institution there of mixed associations, depending on the three organizations, for the purpose.

SWEDEN.

THE CO-OPERATIVE INSURANCE OF PIGS IN SWEDEN.

By H. Juhlin Dannfelt,

Secretary of the Royal Academy of Agriculture.

The insurance of live-stock in Sweden commenced with the horses, of which at present more than 350,000, or 60 per cent. of the whole Swedish stock, are insured. Cattle insurance, though of more recent date, has progressed rapidly so that at the end of 1911 it embraced nearly 400,000 head or about 14 per cent. of the total number in the country. The pigs are on the contrary comparatively seldom insured. The principal live stock insurance company (skandinaviska kreatursförsäkringsaktiebolaget), one of the largest of its kind in the world, has not taken up this branch at all and in another, newly started and less important company for general live stock insurance, embracing the whole country, it is still rather insignificant.

As a rule the insurance of pigs is limited to small farmers, crofters and labourers, owning only one or some few animals, and has been undertaken by local societies generally embracing a single parish or even smaller districts and always based on mutual principles.

There are no reliable statistical returns as to the number of pigs insured, nor of their insurance value, but the small extent of this branch of insurance business is shown by the fact that of the whole number of over 700 institutions for the insurance of live-stock entered in the registers of the Board of Insurance Inspection there are only 30 which insure pigs, and of these 29 are small local mutual societies. There may, however, exist in some rural industrial or other densely populated centres a number of pig insurance societies formed by labourers which have not been notified to the said Board.

These societies have mostly been formed during the last 10 years. The largest number (9) of them are found in the densely populated and intensely cultivated districts south of Malmö in the south-west corner of Sweden ; the rest are scattered over most of the southern and central provinces, but there are hardly any in the northern section of the country, "Norrland," where pig-keeping is less common. The majority of the societies

only insure pigs ; 9 insure also cows and 3 horses, cows and pigs, but always with special sections for each kind of animal.

The object of the insurance is always to meet the losses caused by disease or accident ; for 11 societies it is expressly stated that compensation is paid only when the disease or accident has caused the death or killing of the animal, but the same rule is probably generally practiced, there being only one society in whose rules compensation for diminution of value is mentioned. One society also pays compensation for animals stolen.

All the mutual societies work under the simplest forms and with the least expensive administration. The rules are often very incomplete, lacking essential provisions which in such cases must be compensated by practice. The committee of management generally gets no remuneration for its work, or a very trifling one, such as the free insurance of one pig ; where there is a special treasurer or appraiser he gets a small commission, as for instance, 10 öre for each insured pig or 5 per cent. of the aggregate contributions.

At the general meeting every member present generally has one vote ; in 6 societies there is one vote for every 100 crowns (1) of insurance value and in 2 of these societies no members may dispose of more than $^1/_{20}$th or $^1/_{10}$th of all the votes of the members present.

Societies embracing a larger district are generally divided into subdistricts or circles, each represented in the committee by one member.

A great part of the societies have in their rules provisions limiting the membership to small agriculturists, generally by allowing only small holders or labourers or owners of not more than 2, 3 or 4 pigs to become members. Thus the farmers, properly so called, are excluded, and sometimes also, by special provisions, dairymen and butchers. In order to prevent too great risk 10 societies have fixed a certain minimum insurable age (2, 6 or 8 weeks) and all of them insist that the animals to be eligible for insurance shall be in good health and free from disease, this being generally ascertained by inspection. In 6 societies the members are bound to present all their pigs for insurance ; in one society all the animals collectively. In other societies, where this provision does not exist, it is stipulated that it shall be stated exactly which of the animals are insured. Some societies insure only store pigs or charge a higher rate for breeding animals. In 4 societies it is expressly forbidden to grant any application for insurance, when an epidemic has occurred in the neighbourhood, and 10 societies have in such event reserved the right to decide whether any compensation shall be paid.

In some societies the pigs are insured at cost price and are then to be insured directly after the purchase. Otherwise the animals are generally valued by an officer or member of the committee, the appraiser, on application for insurance ; at this valuation different rates are applied such as : the cost price with the addition of 10 crowns a month until 1 year ; or 7.50 crowns a month up to 100 crowns.

(1) 1 crown = 100 öre = 1.1 shillings.

Owing to the small number of members and their modest resources, the necessary means for the administration and the payment of compensation are generally procured only in part by premiums or other regular fees but partly or chiefly by special levies calculated according to the compensation that is to be paid. Almost all the societies charge a small *entrance fee* either personal (half a crown to one crown) or for every insured pig (a quarter of a crown to 1 ½ crowns) or in proportion to the insurance value (½ to 1 ½ per cent.) In 5 societies the entering member has also to pay 25 öre for his membership-book or for a copy of the rules. In 10 societies each member has besides to pay a small *regular fee* either personal, of 1 crown, or for each pig, from a quarter of a crown a year up to the same sum monthly, or yearly 1 ½ to 2 per cent. of the insurance value. The deficient sum must be made up by *levies*, raised either on every occasion when it is necessary to pay compensation, or, in most societies, once a year. This contribution is calculated in proportion to the number of insured animals or to the insurance value. Only one society has a fixed premium (half a crown a year for every animal).

Another consequence of the modest resources of the societies and their members is the absence or insignificance of accumulated funds. Several of the societies transfer the yearly surplus to an insurance or reserve-fund and two of them add the entrance fees to this fund. But it never does grow to any considerable amount, the compensation being partly paid out of the sum as soon as it has reached 100 to 200 crowns (in one society 1,000 crowns) or 10 per cent. of the amount of the insurance in force.

When an insured pig falls ill or meets with an accident, the owner (according to the rules of 19 societies) must at once inform a member or officer of the committee, who will inspect the animal without delay and decide whether a veterinary surgeon shall be called or the animal be immediately slaughtered. In 3 societies the owner himself must call the veterinary surgeon and inform the committee when the animal is dead or has been killed. In any case the instructions of the veterinary surgeon must be scrupulously carried out, else the society will not be liable to pay any insurance indemnity. Five societies pay the fee of the surgeon and three societies also the medicine prescribed by him.

When an insured animal dies or must be slaughtered in consequence of an accident or disease, the owner must immediately inform the representative of the committee, so that the carcase may be inspected and, if there seems to be any reason for it, dissected.

The compensation for an insured animal is generally paid immediately after its death at its full value, with deduction of the estimated value of those parts deemed proper for human food. Generally the owner is bound to take such parts at their estimated value. One society pays the whole value and disposes of the carcase.

As to the amount of the compensation to be paid, the rules of the societies are very varied. There are only 8 societies which pay compensation equal to the insured value. Nineteen societies base the payment upon an estimate made at the time of the loss, but in many cases do not pay the

actual estimated value. Thus 6 societies have fixed a maximum amount for the indemnity (75-150 crowns). Six societies reduce the estimated value in the same proportion as the total estimated value of all the insured animals of the same owner exceeds their insured value. Two societies do not pay more than half the value of animals affected with trichinosis, and two have the same provision as to swine-fever (hog-cholera).

The liability of the societies to pay compensation may cease for several reasons. This is generally the case when a pig falls ill or dies in consequence of its being ill-treated or neglected. Other reasons for loss of the right to compensation are the death of the animal being caused by war or revolt (2 societies), by lightning (1 society), by fire (8 societies), by tuberculosis (1 society), by non-compliance with the instructions of the veterinary surgeon or where death results in consequence of castration or spaying not done by a veterinary surgeon (3 societies).

In the rules of 4 societies there is a provision that the right to compensation ceases if the owner receives compensation for his loss from the state (in case of swine-fever), from a fire insurance company or some other insurance institution.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO INSURANCE

GERMANY.

KASKEL (Dr.): Der Einfluss des Krieges auf die deutsche Sozialversicherung (*The Influence of the War on Social Insurance in Germany*). Monatschrift tür Arbeiter- und Angestellten-Versicherung. Berlin. September, 1914.

The author briefly considers the influence of the war on social insurance, taking into consideration the existing legal provisions and deals with questions that may arise before disasters; compulsory or voluntary insurance and suspension or otherwise of the payment of premiums in the case of soldiers; and also the questions that may arise later at the moment of the disaster (payment of compensation by means of assistance to soldiers). The author briefly examines the legal position of the funds belonging to the insurance society as its own property and denies the State the right to make use of such funds; admitting the direct assistance of the society (medical assistance etc.) for the benefit of soldiers so as to reduce the consequences of disasters; and holding it advisable that the societies should subscribe to the war loan; and not admitting in any way the right of foreign states to confiscate the funds of the society itself.

Part III: Credit

GERMANY.

LANDSCHAFT OF THE PROVINCE OF SAXONY.

In honour of the Fiftieth Anniversary of its Foundation (1914), *the Landschaft of the Province of Saxony has published a full report, giving the whole history of its action. From that report, entitled:* FESTSCHRIFT ZUR FEIER DES 50 JÄHRIGEN BESTEHENS DER LANDSCHAFT DER PROVINZ SACHSEN, 1914, *we derive the following information:*

§ 1. HISTORICAL OBSERVATIONS.

In regard to the objects and general constitution of the Landschafts we must refer our readers to the three articles published on the subject in earlier numbers of this Bulletin (1). In them the reader will find full information in regard to the Landschafts generally and the special conditions that suggested or necessitated their institution: we shall therefore here only say that these important land credit institutions are organized under the form of co-operative societies, but, as they are adapted to the special conditions of the provinces in which they have to work, they vary considerably in other respects in regard to their constitution and working.

The Landschaft of the Province of Saxony is one of those most recently formed, for it was founded in 1864, while other kindred institutions, for

(1) See *Bulletin of Economic and Social Intelligence*, No. 1, Vol. 1, September, 1910 pp. 45 et seqq., November, 1913, pp. 65 et seqq.: and February, 1914, pp. 53 et seqq.

example, the Landschaft of Silesia, date from the second half of the eighteenth century. This may pehaps excite surprise, especially in view of the fact that the Province of Saxony has always had a prominent place among the Prussian provinces, in respect to agriculture, both as regards the systems in use and the yield. It is, however, to be remembered the Province of Saxony as such only came into existence in 1815; all the same, even under the new conditions, half a century had to elapse before the agriculture of the country was in a position to enjoy the great advantages afforded by a completely organized mortgage credit institution.

Among the causes of the delay in the foundation of the Landschaft must be mentioned, in addition to the comparatively recent constitution of the province, also the economic policy of the State, which, in order to hinder an excessive mortgage indebtedness, opposed the foundation of credit institutions; the small indebtedness of landed property in Saxony as compared with that of the eastern provinces of Prussia, which made the institution of a mortgage credit institute here a less urgent matter, the fact that Prussian Saxony was in a more flourishing condition and more open to traffic than the eastern provinces, which made the utilisation of other sources of credit easier, and, finally, one of the most important causes, the fact that large estates, for which alone the Landschafts were first founded, are far fewer in this than in the other provinces of Prussia.

So much said, let us briefly consider the principal phases of the period of preparation for the foundation of the Landschaft.

The first attempts were made in 1830. At that time, for various reasons we cannot and need not here consider, the rate of interest on loans on real estate began to fall. The rate of interest on mortgage, which had been up to that date 5 % and was still higher in the eastern provinces, fell to 4 % in the case of safe investments. Indeed, in some of the more thriving districts it was reduced to 3 ½ % and even 3 %; in 1840, some investments of the greatest security were made at the ridiculously low rate of 2 ½ %. It was at this date the Prussian Landschafts effected the conversion of their 4 % land bonds to 3 ½ %, so as to utilise the remaining ½ % due by the land holders for the formation of an amortisation fund.

At the time the general conditions of agriculture were rapidly improving, and the soil was being rendered more fertile and the value of the farms was consequently increasing. And not only was this so, but the rapid change to systems of intensive cultivation obliged the farmers to obtain funds to facilitate the change; all of which, naturally, contributed to make the need of organizing credit on mortgage felt. However, the first attempts did not go beyond the plan of constituting a credit institute by which large holdings only were to benefit; the idea of offering small holdings the same benefits was only adopted in the other Prussian provinces in 1840.

The political and popular movements of 1848 put a stop to these first attempts and early schemes, and closed, we may say, the first period of preparation for the Saxon Landschaft, the second period only commencing some years later (1856-1862).

The period from 1849 to 1855 was one of remarkable industrial progress both in Prussia generally and in the province of Saxony.

During these seven years no less than 87 societies limited by shares (spinning, weaving and insurance societies, banks etc.) arose in Prussia, with altogether a capital of 83,000,000 thalers.

This considerable development of industrial life necessarily had important effects on agriculture. The constitution of numerous industrial societies and especially of the railway companies had attracted a large amount of capital: the shares of these societies competed on the exchanges for the favour of large and small capitalists and became serious rivals of those securities up to then exclusively admitted for quotation, that is to say Government stock and land bonds.

Under the pressure of these events the question of the need of credit for landed estates became in its turn one of the most important and urgent for the whole economy of the German nation.

After long discussions and much hesitation, the Central Management of the Agricultural Unions of the Province of Saxony (*Centraldirektion der landwirtschaftlichen Vereine der Provinz Sachsen*) decided to present to the provincial Parliament a petition expressing the desires of the agricultural class in regard to credit on mortgage. These desires may be summarised as under:

(*a*) the foundation of an exclusively provincial credit institute, under the guarantee of all four social classes or eventually of one or other of these classes;

(*b*) foundation of a Mortgage Bank in connection with the Provincial Mutual Aid Society (*Provinzialhilfskasse*);

(*c*) authorization of the issue of unredeemable land bonds to bearer, not on special mortgages;

(*d*) establishment of a maximum limit for loans (to be paid in land bonds of the Landschaft) for half the estimated value of the holding, and by way of exception for two thirds of the value. In the latter case, however, the difference between half and two thirds of the taxable value must be repaid in instalments during a maximum period of 25 years. The remainder, corresponding with half the estimated value, must be repaid in instalments lasting over an indefinite period;

(*e*) limitation to 5,000 thalers of the estimated minimum value of the rural holdings or the urban holdings utilised for agricultural purposes, on mortgage of which the institute to be founded may lend;

(*f*) the rate of interest on the land bonds not to be fixed before publication of the rules; but presumably not to be higher than 4 ½ %.

We shall not here occupy ourselves with the successive postponements, discussions, and adjournments of debate in connection with this proposal: it is enough to say that the year 1862 was reached before anything had been done except that the conviction had now been arrived at that it was impossible to found this Landschaft with State help.

Then a different line was adopted and it was sought to realise the objects contemplated by means of co-operation. And, if before the negoti-

ations were lengthy, they now proceeded to a termination with comparative rapidity. On the immediate initiative of the farmers, through their Central Union, the important matter was repeatedly brought forward. On March 1st., 1862, the Management of the Central Agricultural Union held a special referendum among all the holders of land of a value of not less than 10,000 thalers, in order to ascertain their opinion in regard to the foundation of the new institute. The result was even more favourable than had been anticipated, since as many as 559 landholders, possessing altogether land of a total value of 20,300,000 thalers, answered the summons. In a first meeting it was decided that it was necessary to found the institute on the following lines :

1. repayment in instalments must be compulsory ;

2. the holding to be mortgaged must be valued at the estimate made for purposes of the land tax ;

3. the institute, in order to arrive at really useful results, must try to reduce the limit of the value of the holdings on which loans might be granted to less than 10,000 thalers.

And in accordance with these principles the rules of the new institute were drawn up and approved by decree of May 30th., 1864. The Landschaft of the Province of Saxony was definitely constituted but under the name of *Landschaftlicher Kreditverband der Provinz Schlesien.*

§ 2. Rules of the " landschaftlicher kreditverband ".

Before we consider the development and present situation of this *Kreditverband* it will be well to examine the rules in accordance with which it was founded.

In the first place it was not an institute in public but in private law, recognised as an incorporated body. Its right to issue land bonds to bearer at the uniform rate of 4 % was recognised. It might accept as members all owners of land situated within the province and utilised for agricultural or forestry purposes, the net revenue (*Grundsteuerreinertrag*) of which as calculated for purposes of the land tax was not less than 50 thalers.

The State exercised a right of supervision over the operations of the Institute, through a Government commissioner, who had a right to attend the meetings and to be informed in regard to all the transactions.

As regards the land bonds, a first mortgage had to be passed for half the value of the holding mortgaged to cover the capital lent, the interest, the expenses etc. The bonds were of the value of 1,000, 500, 100, 50 and 25 thalers.

The bonds were secured collectively by the association, in the first place, on the excess revenue, and then on the reserve fund. Every possessor of a land bond had, however, the right to obtain transfer of any of the Landschaft's mortgages, within the limits of his credits.

The revenue of the association consisted in the annual 5 % interest, in the entrance fees (1 thaler per 1,000 lent), in interest lost by prescription etc. Four fifths of the 5 % interest were used for the payment of interest on land bonds; 75 % of the remaining fifth was placed to the amortisation account and 25 % utilised for working expenses.

The cash balance after payment of working expenses etc., was placed to the reserve fund, in the name of the members, until the fund amounted to 5 % of the total loans. Any eventual surplus was to be placed to the members' amortisation account. The members might draw on the reserve fund, but only for the extinction of the last 5 % of the amount of their loans.

This reserve fund served as a guarantee against eventual losses of the association. When the share of any particular member in the reserve fund did not yet amount to 5 % of his debt, he was held responsible to the Landschaft for the rest; he could be called upon to pay the balance within three months.

It is to be observed that the object of this compulsory payment of the balance to meet eventual losses, like that of the reserve fund, was to constitute a kind of substitute for the members' general guarantee (*Generalgarantie*) that existed in the older Landschaften.

The $^3/_4$ % entered to the amortisation account of each member, increased by the surplus in excess of 5 % of the reserve fund account, forms what is called the Amortisation Account (*Amortisationskonto*). Last of all we shall say that the value of the land to be mortgaged according to the original rules of the Saxon *Kreditverband* had to be fixed in accordance with the estimate for the land tax (law of May 21st., 1861). However, the value of the holdings was never to be estimated at more than 30 times that of the taxable revenue. The Board of Management, then, within these limits, fixed the value of the holding, and there was no appeal against its decision.

§ 3. The development of the "kreditverband."

(a) *From* 1865 *to* 1874.

The first thirty years of the existence of the *Kreditverband* of the Province of Saxony, which assumed the name of *Landschaft* in 1887, may be divided into three decades, clearly distinguished from each other and each representing a special phase in the development of the new Institute.

The first of these three periods — from 1865 to 1874 — may be indicatated as the "*period of the struggle for existence*" and is characterised by an extremely slow development of the association. This assertion is sufficiently

proved by the following figures relating to the issue of land bonds and the fluctuations in the numbers of the members during this period:

Year	Amount of Bonds Issued (In Marks).	Number of Members
1865	1,480,575	32
1866	179,750	40
1867	668,025	45
1868	719,400	50
1869	366,750	53
1870	54,450	55
1871	38,175	51
1872	209,850	58
1873	781,050	63
1874	210,375	66

The causes of this slow progress are manifold and we must content ourselves here with mentioning the chief of them. First of all, it must be remembered that the Credit Institute, but recently founded, had not yet been able to acquire that recognition which facilitates the increase of business; and not only was it not yet well known, but it had not yet won the confidence of the public so often deceived by the schemes of interested politicians. To these reasons of a general character we may add some of a financial nature, such as the small amount of funds at its disposal at the time and the excessively low maximum limit fixed for the grant of mortgage loans which was a serious obstacle to the development of its business.

When we further add the effect of the generally unfavourable economic situation, due to the well known political disturbances that characterized the decade 1865-1874, it is not surprising that at the beginning of its career the *Kreditverband* of the Province of Saxony had difficulties to contend with of no light character.

To meet this unfavourable situation, it was decided to amend the fundamental rules so as to favour an extension of the business of the Institute. Among the amendments introduced we shall only mention the successive raising of the maximum limit for loans.

In this connection, the first alteration was made on August 2nd., 1876, when it was fixed at $^3/_{5\text{ths.}}$ of the value of the holding, and as it was held that the maximum value of the holding corresponded with 30 times the net taxable revenue, the limit was fixed at 18 times that revenue. But not even this seemed enough, and, after new proposals, the Prussian Government, by decree of September 7th., 1872, decided that the limit should be

raised to $^{2}/_{3rds.}$ of the value of the holding, or 20 times the net taxable revenue.

In the meantine, the Central Landschaft of the Prussian States had been founded (*Zentrallandschaft für die Preussischen Staaten*), the rules of which were approved by Decree of May 21st., 1873. The principal object of this institution was to serve as a central organization for the Landschaften for the issue and circulation of land bonds. The "*Landschaftlicher Kreditverband*" of the Province of Saxony also affiliated itself to the new institution, but, during its first working year, the Zentrallandschaft had not to issue land bonds for its account.

(*b*) *From* 1875 *to* 1884.

The decade from 1875 to 1884 is marked by the very decided development of the Saxon *Kreditverband*, now definitely and firmly established.

As we know, the Prussian Savings Banks transact mortgage credit business on a large scale. The table we reproduce below shows the amount of the mortgage credit business transacted in the ten years 1875-1884 in the Province of Prussian Saxony by the *Kreditverband* and the Savings Banks respectively (in millions of marks).

TABLE I. — *Land Credit Operations of the "Kreditverband" and the Savings Banks:* 1874 *to* 1884.

Year	Mortgage Loans Granted by the *Landschaftliche Kreditverband*		Mortgage Loans Granted by the Savings Banks	
	Amount of the Mortgages at the End of the Year	Annual Increase	Amount of the Mortgages at the End of the Year	Annual Increase
	Millions of Marks			
1874	4.35	—	43.71	—
1875	6.48	2.13	46.57	2.86
1876	7.90	1.42	54.10	7.53
1877	8,59	0.69	58.92	4.82
1878	9,00	0.41	63.16	4.24
1879	10.07	1.07	67.27	4.11
1880	12.79	2.72	71.76	4.49
1881	16.81	4.02	77.19	5.43
1882	20.83	4.02	83.09	5.90
1883	24.76	3.93	89.20	6.11
1884	29.46	4.70	97.05	7.85

From these figures we see clearly the considerable place the *Kreditverband* was gradually and firmly acquiring in respect to mortgage credit

business in the country ; in 1874 the mortgage loans granted by it represented hardly 9.06 % of the total mortgage loans granted by it and the Savings Banks together : in 1884 the percentage granted by it had risen to 23.3 %. But from the above figures we see further that the mortgage debt on land in the province rapidly increased during the ten years ; indeed it was just about 1875 the land crisis began which only terminated about 1903. The increase in the revenue from land in Germany which had been characteristic of the period 1850-1875, was arrested about this date ; the prices of agricultural produce fell and continued to fall rapidly and there was also a marked tendency towards the reduction of leases. The fall in prices was largely due to importation from America and Russia. Notwithstanding this, the value of the land continued to rise, partly owing, to the increased investments in land consequent upon the crisis of 1873, partly owing to the increased fertility of the farms due to improved methods of cultivation. But the increased price of land led to an increase in the mortgage debt, because often the purchaser had not the necessary capital for the purchase. Under these circumstances, it may perhaps excite surprise that the *Kreditverband* was not called upon to assist more extensively than we have seen it did in providing capital ; it is, however, to be observed that not only were there other sources in the province whence credit could be obtained but also not even at this date was the *Kreditverband* sufficiently known. But what perhaps more than anything else hampered the development of the work of this institute was the maximum limit for loans fixed in the rules, which, although modified, as we have seen, did not yet satisfy the demands of the borrowers. Accordingly it was decided again to amend the Rules.

The most important amendment, approved on October 27th., 1880, provided that, while the former provisions remained unaltered as regards the determination of the value of the holding (30 times the taxable revenue), and while $^2/_{3rds.}$ of this value (20 times the taxable revenue) was kept as the maximum limit for loans, it was permitted, when the Management judged advisable or when the borrower desired a loan in excess of the above limit, to proceed to a new valuation of the holding and raise the estimated value, if possible, to 36 times the taxable revenue. And so the maximum limit, while remaining $^2/_{3rds.}$ of the value of the holding would be raised to 24 times the taxable revenue.

(c) *From* 1885 *to* 1894.

On June 29th., 1889 the *Kreditverband*, the name of which had been changed to *Landschaft* in 1887, so as to harmonize with those of the analogous institutes of the Prussian provinces, completed its twenty fifth year. The general situation was excellent, and tended more and more to improve. The Landschaft had at that date a balance of mortgage loans amounting to about 50,000,000 marks. But its subsequent progress was considerably more rapid. In the ten years 1885-1894 land bonds were issued to the amount of 46,500,000 marks, giving an average of 4,500,000 marks. a year,

as against an average of 2,500,000 marks for the previous ten years and hardly 500,000 marks in the first decade.

TABLE II. — *Land Credit Operations of the "Landschaft" and of the Savings Banks: 1884 to 1894.*

Year	Loans on Mortgage Granted by the Landschaft		Loans on Mortgage Granted by the Savings Banks	
	Amount of Mortgages at the End of the Year	Annual Increase	Amount of Mortgages at the End of the Year	Annual Increase
	Millions of marks			
1884	29.46	—	97.85	—
1885	31.64	2.18	107.51	9.96
1886	37.13	5.49	112.78	5.77
1887	40.99	3.86	118.24	5.46
1888	45.87	4.88	118.86	0.62
1889	51.54	5.67	125.10	6.24
1890	58.53	6.79	134.94	9.84
1891	59.84	1.51	142.81	7.87
1892	63.01	3.17	150.82	8.01
1893	67.02	4.01	156.08	5.26
1894	70.43	3.41	162.39	6.31

In regard to the rate of interest we may say that about this date it was 3½ or 3%. In 1885 the *Zentrallandschaft* had already issued for the account of the Saxon *Kreditverband* land bonds to the amount of 1,500,000 marks at 3 ½%; in the next year a new issue was made at 3%. This tendency towards lower rates of interest was so marked that the bonds issued at 4 % were later on converted into 3 ½%. So it may be saidt hat at the end of the third ten years (1885-1894) the type of land bonds, whether issued by the Saxon Landshaft or by the Zentrallandschaft for its account was that of 3½%. This is confirmed by the following figures for the end of 1894 (in millions of marks):

3 ½ % land bonds issued by the Zentrallandschaft . . .	57.2
3 % ,, ,, ,, ,, ,, ,, . . .	5.4
3 ½ % ,, ,, ,, ,, ,, Saxon Landschaft . . .	4.3
4 % ,, ,, ,, ,, ,, ,, . . .	3.4
4 % ,, ,, ,, ,, ,, Zentrallandschaft . . .	0.2

To complete our remarks on the work of this Landschaft during the third ten years of its existence we shall briefly mention the important additional alterations introduced into the rules during this period.

In the ten years 1885-1894 the rules were amended three times in succession, in 1887, in 1889 and in 1893. We shall only mention the changes made in 1887, as they alone were really important.

In the first place it must be remembered that in that year the rules were completely revised so as to bring them into conformity with those of the other Landschafts of the Kingdom of Prussia. Among other changes introduced at that date we must mention a further extension of the maximum limit for loans, that could henceforth be granted up to $^{2}/_{3rds.}$ of the amount of the value of the holding. This value was simply fixed at 30 times the taxable revenue. If, as a result of a special estimation, it was found that the value of the holding was higher than that fixed for purposes of the land tax, the maximum limit might be raised to 24 times the taxable revenue. Further, in exceptional cases, when improvements had been undertaken on the holdings such as to increase their value considerably, when the value of such holdings was shown to be not less than at least 50 times the net taxable revenue, the Management of the Landschaft might grant loans up to 30 times that revenue. Finally, we must further mention that, in 1887, the new rules allowed the formation of a new capital of the Ladschaft's own, as in the case of the other Landschafts. We shall note here in passing that this fund, approved in 1887, amounted in 1891 to 66,300 marks and in 1913 to 2,708,000 marks.

(d) *From* 1895 *to* 1913.

The next period also (1895-1913) is of quite special interest, because characterised perhaps more than the others, by the influence the general economic and financial conditions have had on the Landschaft under consideration.

We shall mention here, in this connection, three principal events, the conversion effected in 1895, the new issue of 4 % bonds in 1908 and, finally, the important modifications of the rules (for the most part made also in the rules of the other Landschafts).

In reference to the first of these three facts, we shall say that the period of abundant supply of money, lasting up to 1896, induced both the State and the private institutions to lower their rate of interest on loans. And the Landschaft of the Province of Saxony also profited by the situation converting its $3\,^{1}/_{2}$ % bonds to 3 %.

The period from 1890 to 1900 was marked by an enormous development of German industry and exportation of industrial produce. This naturally created a great demand for money; it is enough to point out that, during the five years 1895-1900 alone, the value of the securities placed on the German market exceeded the enormous figure of 12,000,000,000. Of necessity this abnormal situation affected the rates of interest and discount; the official rate of the Imperial Bank was raised to 7 %

in 1899. These facts of course had their influence on the price of the land bonds of the Landschaft, and Zentrallandschaft ; so much so that, for example, the price of the 3 ½ % bonds of the Saxon Landschaft, which on January 1st., 1895 were quoted at 104.50, in 1900 varied between a maximum of 97.75 and a minimum of 91.

The crisis of 1901 caused a new general reduction of the rate of interest, so that in 1904 the price of the bonds of the Landschaft of the Province of Saxony varied between a maximum of 101 and a minimum of 99. But the severe crisis occurring in 1907 again reduced the price of the bonds of the Landschafts ; and those issued by the Landschaft of the Province of Saxony were not exempt. So we find that in that year the price of the bonds was again reduced to between 95 ½ and 90 ¼, to the serious loss of the institute issuing and the holders of the bonds. But the Management of the Landschaft could do very little to arrest this reduction of prices, which was due to causes of a general nature. The high price of money counselled and even imposed the issue of bonds at a higher rate ; and the *Deutsche Hypothekenbank* had already issued some at 4 ½ %. The Landschaft of the Province of Saxony followed this example and issued a new type of bonds at 4 %.

It is not our affair to show here the effect of the agricutural crisis, to which we have already referred and which were fully discussed in a Conference organised by the Department of Agriculture in 1894. We shall limit ourselves to showing the practical effects of this Conference on the work of the Landschaft, especially in new amendments of the rules.

We shall note the most important of these, that of 1896, by which the smaller holdings were admitted to the benefits of the Landschaft, as the net minimum revenue the farms had to have before they could be mortgaged to the Institute was reduced from 150 to 90 marks. This meant that the Landschaft became considerably more democratic.

In 1898 the work of the Landschaft was completed by the foundation of the *Landschaftliche Bank* of the Province of Saxony. The object of this institute is to facilitate the development of the Landschaft, occupying itself, according to the example of similar banks founded in connection with some other Landschafts, with credit and banking business, in connection with the loan business of the Landschaft, and serving as an intermediary for the purchase and sale of land bonds and, finally, granting personal credit, supplementary to the credit granted by the Landschaft, by means of operations in current account, anticipations on amortisation accounts etc.

The capital of this bank is now 3,000,000 marks, of which 2,225,000 marks have been supplied by the Landschaft.

In the fifteen years of the existence of this Bank, as many as 749,000 marks have been paid in to the administration fund of the Landschaft by it. It has also formed an ordinary reserve fund of 273,217 marks and a special reserve fund of 153,510 marks.

But the work of the Landschaft of the province of Saxony has not only become more intense, it has extended also in respect to the territory in which it works. In fact, in 1909, the Duchy of Anhalt was included in the

territory of its legal district and in 1911 the Duchy of Saxe-Altenburg was similarly included.

Finally, the years 1911 and 1913 were characterized by new and important modifications in the working of the Landschaft, modifications tending more and more to enable small holdings to benefit by this institute. As previously mentioned, the largest concession made in favour of small holdings, in regard to their participation in the benefits of the Landschaft was that of 1896, when the minimum revenue required for the holdings benefiting by the Landschaft was reduced to 90 marks. In 1913 it was further decided that even rural holdings (*Landgüter*) having a net taxable revenue of less than 90 marks could contract loans with the Landschaft, provided they could be considered as autonomous farms (*selbständige Ackernahrungen*), that is to say that their owners derived their principal revenue from the farming of them. Otherwise the limit remained fixed at 90 marks.

§ 4. The present position.

To give an idea of the continually increasing importance of the mortgage credit business of the Landschaft, not only in its total amount, but above all in comparison with that done by other institutions (and principally by the Savings Banks) ,we shall give here the following figures:

TABLE III. — *Land Credit Operations of the "Landschaft" and of the Savings Banks:* 1894 *to* 1913.

Year	Mortgage Loans Granted by the Landschaft		Mortgage Loans Granted by the Savings Banks	
	Amount of Mortgages at End of Year	Annual Increase	Amount of Mortgages at End of Year	Annual Increase
	(Millions of Marks)			
1894	70.73	—	162.39	—
1895	80.43	10.00	168.87	6.48
1896	86.62	9.19	176.67	7.80
1897	95.70	6.08	188.68	12.01
1898	98.76	3.06	198.52	9.84
1899	100.41	1.65	207.19	8.67
1900	102.77	2.36	211.00	3.81
1901	107.77	5.00	214.71	3.71
1902	115.80	8.03	218.02	3.31
1903	121.33	5.53	221.76	3.74
1904	132.21	10.88	230.33	8.57
1905	141.46	9.25	237.72	7.39
1906	150.58	9.12	243.78	6.06
1907	158.15	7.57	245.66	1.88
1908	163.76	5.61	245.70	0.04
1909	172.60	8.84	246 10	0.40
1910	190.30	17.70	252.07	5.97
1911	201.86	11.56	258.92	6.85
1912	228.00	26.14	261.19	2.27
1913	244.35	16.35	—	—

We must, however, here observe that the development of mortgage credit granted by the Landschaft in recent years does not imply an increase of the burden on land, such as we had occasion to observe at an earlier period. The advantages of the credit offered by the Landschaft are now so evident to the landowners that many of them prefer to have recourse to this institute rather than to other establishments or to private persons, in order to obtain the sums they require for the extinction of earlier mortgages, as is seen in the following table :

TABLE IV. — *New Loans for Repayment of Debts:* 1895 *to* 1913.

Year	Total Amount of Loans Granted by the Landschaft — Millions of marks	Amounts Utilised for Repayment of Earlier Mortgages		New Loans	
		Millions of Marks	%	Millions of Marks	%
1895	10.38	5.83	56	4.55	44
1896	10.97	7.14	65	3.83	35
1897	7.61	4.58	60	3.03	40
1898	5.55	1.89	34	3.66	66
1899	3.51	1.27	36	2.24	64
1900	5.18	2.96	57	2.22	43
1901	5.38	2.42	45	2.96	55
1902	8.29	5.83	70	2.46	30
1903	6.29	3.62	58	2.67	42
1904	11.34	6.72	59	4.62	41
1905	10.07	5.82	58	4.25	42
1906	10.17	4.55	45	5.62	55
1907	8.81	5.28	60	3.53	40
1908	7.10	3.13	44	3.97	56
1909	11.41	6.33	55	5.08	45
1910	19.98	10.22	51	9.76	49
1911	13.79	7.34	53	6.45	47
1912	27.50	18.82	68	8.68	32
1913	18.88	11.37	60	7.51	40
	202.21	115.12	57	87.09	43

With regard to the number and area of the holdings mortgaged by the Landschaft, we reproduce the following table which shows to what degree small and medium sized holdings have already profited by its assistance:

TABLE V. — *Distribution of Holdings Mortgaged to the Landschaft at the End of* 1913 *according to Area.*

Area of Holdings	Number of Holdings	Total Area	Net Taxable Revenue
Hectares		Hectares	Marks
2-5	134	473	23,949
5-20	977	11,600	500,798
20-50	936	30,764	1,255,235
50-100	484	32,777	1,356,600
100-200	250	29,657	998,718
over 200	316	168,352	4,290,657
Total	3,097	273,623	8,425,957

With regard to the fluctuations in the number of members in recent years we have the following figures for the period 1909-1913:

1909	2,466
1910	2,616
1911	2,712
1912	2,920
1913	3,056

Let us close these remarks on the Landschaft of the Province of Saxony with an indication of the other sources of mortgage credit in this province, giving some figures that will permit of profitable comparison of the importance of these sources and that of the Landschaft.

We shall mention here only the most important, namely the Savings Banks, Mortgage Banks, fire and life insurance societies and the public institutes. We shall say nothing of the savings banks, because, in respect to them we have already given some figures that will serve for purposes of comparison.

The German Mortgage Banks have exerted most of their action in connection with urban mortgage credit (94 %) and only recently have they began to do rural credit business (6 %). This is true also with regard to the province of Saxony. Altogether the 14 Prussian or other (Thuringian) mortgage credit institutes have conducted operations in the Province of Saxony for no more than 13,750,000 marks, of which most have been conducted by the Central Prussian Mortgage Credit Society (*Preussische Central-Bodenkredit-Aktiengesellschaft*).

The life and fire insurance societies did rural mortgage credit business in the Province of Saxony for about 4,750,000 marks in 1912.

We shall finally mention that the other public institutes, such as the *Feuersozietäten* of the Province, the Insurance Institute (*Landesversicherungsanstalt*), etc., altogether conducted mortgage operations in the Province of Saxony to the amount of about 11,500,000 marks in 1912. To sum up, we shall say therefore that, of 555,780,000 marks, representing the mortgage credit granted in 1912 in the Province of Saxony, 244,350,000 marks were granted by the Landschaft, 261,190,000 marks by the savings banks, 13,790,000 marks by mortgage banks, 11,640,000 marks by public institutes, 4,730,000 marks by insurance companies and the rest, 24,280,000 marks, by private persons or smaller credit institutions.

ITALY.

1. THE NEW PROVISIONS IN REGARD TO AGRICULTURAL CREDIT IN ITALY.

With the object of helping Italian agriculturists to overcome their present difficulties and also to meet the views long since expressed by agricultural associations and delegations, a series of provisions tending to open up new branches of agricultural credit were put forth in a Royal Decree of October 11th., 1914, No. 1,089 (1).

The principal provisions were as follows.

Ordinary savings banks and co-operative credit societies administering a capital of at least three million francs, made up of their share capital and deposits, are authorized, until the end of the year 1915 and notwithstanding anything in their rules to the contrary, to utilise a total sum not exceeding a quarter of their share capital for agricultural credit operations; this credit may be used for the following ends:

(*a*) The purchase, individual or collective, of seeds, manure, anti-cryptogamic materials, remedies or insecticides and implements for the cultivation of the soil, the treatment and preservation of agricultural products.

(*b*) For expenses in connection with the work of sowing, ploughing, harvesting, and the first treatment of agricultural products.

(*c*) For advances upon pledge of agricultural products placed in general warehouses or other places of deposit guaranteeing their preservation under the good management, of whatever character, of the lending institutes, societies, private associations and public administrations.

In order especially to meet the requirements of the viticulturists, the decree very opportunely provides that the credit institutes may also make advances upon pledge of agricultural products *deposited in private storehouses* offering the above security. But in this case the institutes have the right and the duty themselves to close these storehouses. The Minister of Agriculture, Industry and Commerce is also authorized to

(1) See the "Gazzetta Ufficiale del Regno d'Italia", Rome, No. 244, October 11th., 1914. This Decree has been presented to Parliament in order that it may become law.

order the constitution and immediate working of special warehouses for the deposit of agricultural products or other merchandise (1).

The above mentioned operations will be effected by means of commercial bills, for terms of not more than one year, the rate of interest of which must not be more than the official rate.

To guarantee the Institutes mentioned and those already authorized by special laws to give agricultural credit, a special preference claim (2) has been established, in the case of loans not otherwise privileged, in regard to the products of the current year, and if the harvest is bad, the products of the following year, and this is decided at the time when the loans are granted.

This preference takes precedence of any other claims in respect to the things themselves, except those for legal expenses.

Further, during the whole of the year 1915, the decree authorizes the agricultural credit institutes legally constituted, independently of their rules to accord *direct* loans to agriculturists in those localities where "*monti frumentari*" and agricultural banks do not exist or are not working, and temporarily to take over the management of the "*monti frumentari*" and the agricultural banks which do not show profits in their working.

Power has also been given to the Savings Bank of the Bank of Naples to devote the funds of the Provincial Banks of Agricultural Credit which it administers (3), exceeding the needs of a single province, to agricultural credit operations in other provinces where the amount allotted to their respective agricultural banks is insufficient.

And again, independently of the provisions of the laws of July 7th., 1901, No. 334 and of March 29th., 1906, No. 100 (4), the institutes of issue are

(1) For all the advances upon pledge of agricultural products mentioned in this decree, if the debtor does not pay on the day specified for payment or if the products deposited show signs of deterioration and the debtor does not settle his debt within seven days from the date on which he is called upon to pay by means of a registered letter, the lending Institute has the right to have the security sold without the usual legal formalities according to the method established by the Italian Commercial Code in articles 477, 478 and 479 regarding voluntary or forced sale by public auction of articles deposited in general warehouses.

(2) That is to say a legal privilege established by article 1,958, No. 5, of the Italian Civil Code extended to the loans in relation to manures and anti-cryptogamic materials by law of July 7th., 1901, No. 334, article 5, and confirmed by the laws of March 29th., 1906, No. 100, article 23 and of July 6th., 1912, No. 802.

(3) See our article upon this subject : *The Provincial Agricultural Loan Banks and the Law of February 2nd.*, 1911, in the Bulletin for April, 1911, page 223.

(4) The law of July 7th., 1902, No. 334, authorized the Savings Bank of the Bank of Naples to employ gradually two tenths of its deposits in operations of agricultural credit with the Consortiums and the institutes legally constituted, having their headquarters and working in the Provinces of Aquila, Avellino, Bari, Benevento, Campobasso, Caserta, Chieti, Foggia, Lecce, Salerno, Teramo, Cagliari, and Sassari.

The law of March 29th., 1906, No. 100, instituted a department of agricultural credit at the Bank of Sicily, with an initial fund of 3,000,000 frs., furnished by the Bank of Sicily, of an advance in current account at interest made by the Vittorio Emanuele Central Savings Bank for the Sicilian Provinces of Palermo, up to an amount of 2,000,000 frs. and not exceeding, in any case, two tenths of the savings deposits of the Bank, and of three tenths of the deposits of the Savings Bank of the Bank of Sicily.

authorized to *re-discount* the paper of the agricultural credit institutes considered in the decree in question, in accordance with provisions which will be published in special decrees.

The discount rate will be 1 % less than the official rate.

But in order that the above loans may really benefit the farmers the conditions on which they are granted must not be too burdensome, the decree makes provision for this by granting complete exemption from income tax and registration and stamp duty as well as mortgage dues in the case of all operations effected by the above Institutes, as well as a reduction by half of the taxes on legal documents rendered necessary through the debtors not fulfilling their contracts.

As we have said the new provisions in favour of agricultural credit we have just dealt with satisfy, though indeed their effect is limited to the year 1915, most of the desires recently expressed by the Italian agricultural delegations and without doubt open the way for useful and effective efforts. We shall consider the results in due course.

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2. MISCELLANEOUS INFORMATION.

1. — THE BALANCE SHEETS OF THE ORDINARY SAVINGS BANKS. — On December 31st., 1912, the number of the ordinary savings banks working in Italy was 186. At that date, their capital amounted to 338,869,641 frs. (1). It consisted of the total endowment funds, amounting to 1,575,098 frs., reserve funds amounting to 294,598,011 frs., a reserve fund to meet depreciation of securities and eventual losses amounting to 28,916,448 frs., and other funds amounting to 13,780,084 frs.

The total debits of the 186 banks amounted to 2,779,604,619 frs., that is to say: savings deposits and interest bearing bonds, 2,533,192,041 frs.; deposits in current account 63,260,992 frs.; debts to correspondents 14,024,604 frs., debit current accounts 9,534,100 frs., amounts borrowed on security of real estate belonging to the institutes 22,528,371 frs., debit balances from the preceding year 53,254,730 frs.; rediscounted commercial bills 15,229,923 frs; miscellaneous debits and liabilities 68,579,858 frs.

Savings deposits, therefore, make up nearly 91 % of the debits. And if we add to this amount of 2,533,192,041 frs. the 63,260,991 frs. deposited in current account, the total will be nearly 94 % of the debits.

(1) See, in regard to the situation of the ordinary savings banks on December 31st., 1913, the *Annuario statistico italiano*, 2nd. Series, Vol. III, Year 1913. Ministero di Agricoltura, Industria e Commercio, Direzione Generale della Statistica e del Lavoro, 1914.

It will be interesting to consider the distribution of the deposits collected by the ordinary savings banks, in the various regions of Italy. Of course, the richest and most populous regions take the first place. Thus the largest mass of savings is found in Lombardy, then in Piedmont, Emilia, Tuscany and Venetia, 200,000,000 frs. in each case; then come Campania and Latium with more than 100,000,000 frs. each; Sicily, Marche, and Liguria with more than 50,000,000 frs. each, and, finally, the other regions, with progressively decreasing amounts. The totals are shown in the following little table, the figures representing thousands of frs.:

Lombardy	839,572	Marche	75,507
Tuscany	317,162	Liguria	53,782
Piedmont	296,630	Umbria	33,798
Emilia	279,441	Calabria	21,722
Venetia	222,474	Abruzzi	15,600
Campania	152,900	Apulia	2,845
Latium	129,760	Basilicata	642
Sicily	91,347		

Let us now consider the chief credit items. They make up a total of 3,141,706,502 frs., distributed as follows:

	Thousands of francs	Percentage
Cash	35,400	1.1
Treasury Bonds	77,075	2.5
State Securities or State Guaranteed Securities	1,030,402	33.0
Land Bonds	117,243	3.7
Other Securities	71,851	2.3
Brought Forward	53,283	1.7
Deposited by Other Institutes	29,702	1.0
Correspondents	25,512	0.8
Advances	53,624	1.7
Bills and Acceptances	495,957	15.8
Mortgage Credits	544,740	17.2
Credits on Notes of Hand	412,442	13.1
Special Operations	76,670	2.4
Outstanding	9,135	0.3
Other Credits	107,664	3.4

The largest credit item is that of State or State guaranteed securities. Mortgage credit and current accounts secured on mortgages also form a very important item. In Latium the loans on mortgage represent 33.8 % of the total credits of the Savings Banks. In Tuscany the percentage is 22.9, in Lombardy 21.8, and in Apulia 19.6.

The amount immediately next in importance is that of the bills and acceptances, although the discounting of bills is rather a matter for the ordinary credit institutes than for the savings banks, the latter limiting themselves to discounting bills the payment of which is certain. However, in certain regions, where the banks are not so numerous and where the large institutes have neither their head quarters nor branches, the savings banks substitute them and discount bills to a larger extent. Thus in the Abruzzi, we find, at the end of the year 1912, large amounts for their bills and acceptances, representing 46 % in the total credits. In Umbria they amounted to 41.3 %, in Marche to 40 %, in Apulia to 37.7 % and in Calabria to 30.2 %. It is easy to understand that with the continual progressive extension of the work of the large Italian banks, founding new agencies and branches in every direction, the discount operations of the savings banks will be gradually reduced. What we have said in regard to commercial bills applies equally to the credits on notes of hand, which, as is seen in the preceding table, amounted to 412,442,000 frs. and represent 13.1 % of the total credits of the banks. We shall not delay over the other items of the balance sheets as they offer nothing specially worthy of remark (1).

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2. — THE NEW SAVINGS BANKS BOOKS TO BEARER. — The law of May 27th., 1875, No. 1,775, authorised the Government to issue savings bank books to bearer, in addition to the inscribed books. In order to meet the desires of the depositors and also further to promote thrift by facilitating the operations of deposit and withdrawal, the Government, by the power granted to it, instituted, by decree of December 10th., 1914 (2), books to bearer at the above banks, in accordance with the following regulations:

The right to issue savings bank books to bearer is confined to the principal post-offices.

The amounts paid into the books to bearer shall bear interest during the year 1915 at 2.52 % per ann., free of income-tax.

(1) In regard to the distribution of the ordinary savings banks in Italy and the fluctuations in the amount of deposits in the first half year of 1913, see the *Bolletino delle Casse di Risparmio ordinarie*. Ministero di Agricoltura, Direzione Generale del Credito e della Previdenza, Rome, 1914.

(2) See the *Gazzetta Ufficiale del Regno d'Italia*. Rome, No. 205, December 22nd., 1914.

The holder of the book shall be able to withdraw the whole amount in the book or any part thereof on simple presentation of the book. Repayment will be made at sight in case of amounts of less than 200 frs., and on ten days' notice in that of amounts up to 500 frs.; for larger amounts a month's notice is required. Not more than 500 frs. can be withdrawn at sight within a period of ten days; the amount of the repayments that can be made on notice must eventually be reduced by the amounts withdrawn after notice given.

Deposits in current account in other offices than that in which the application is presented cannot be withdrawn before the office paying has received confirmation of the credit from the Central Administration.

The reader will not have forgotten that by a recent law the maximum limit of savings deposits bearing interest was raised from 4,000 to 6,000 frs. This measure had two objects: it was, in the first place, intended to offer an investment for the average economies, which, if less profitable, would be more prudent and more secure than any other, and, in the second place, the economic resources of the State were increased, as it was enabled by the collection of a larger quantity of savings to give greater assistance to the administrations (Communes, Provinces, Benevolent Institutions and Land Reclamation Consortiums) which, for the purpose of carrying out works of public utility, apply for funds to the Postal Savings Department as well as to the National Workmen's Old Age and Disablement Insurance Society, to which is assigned the greater part of the interest obtained by the work of the Savings Banks, and the highly benevolent object of which is recognised by all.

The alteration made with regard to the maximum limit of savings deposits bearing interest (fixed at first at 2,000 frs.) caused a considerable increase in the amount of the deposits, so that the total credit of the depositors gradually increased from 45,000,000 frs., in the earlier years of the life of the postal savings banks, instituted in 1875, to 710,000,000 frs. at about the end of 1901, until it reached 1,500,000,000 frs. in 1909 and exceeded 2,000,000,000 frs. in 1913. To show how large the amount of the deposits in the savings banks is as compared with that in other Italian institutes collecting savings, we give the following table (1) which furnishes statistics for the period between June 30th., 1909 and June 30th., 1913. The amounts represent millions of frs.

(1) See the *Financial Statement* of the Treasurer General, Signor FRANCESCO TEDESCO, laid before the Chamber of Deputies on December 20th., 1913. Rome, Bertero, 1913.

Institutes	1909	1910	1911	1912	1913
Of Issue	100.8	99.2	110.3	91.7	100.3
Of Ordinary Credit	790.7	869.7	946.3	999.5	1,010.9
People's Banks	653.2	699.7	710.5	701.4	687.1
Co-operative Banks	389.6	444.3	505.1	509.8	485.8
Ordinary Savings Banks	2,323.6	2,460.1	2,555.2	2,575.9	2,649.6
Postal Savings Banks	1,492.5	1,657.1	1,821.0	1,874.4	1,984.9
Pawn Establishments	83.4	188.0	196.3	199.3	199.8
Rural Banks	62.2	72.6	89,2	99.2	101.6
	5,896.4	6,490.7	6,934.1	7,051.5	7,220.4

On December 31st., 1913, the amount of the deposits in the postal savings banks exceeded two thousand million francs (2,901,547,476 frs.).

It follows then from an examination of the figures for each group of institutes that, in the five years' period under consideration, it is in the Postal Savings Banks there has been the largest increase of credit. In the period 1909-1913, the deposits collected by them increased indeed by 492,400,000.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CREDIT.

PORTUGAL.

JUNTA DE CRÉDITO AGRÍCOLA. RELATORIOS E CONTAS DE HERENCIA (*Agricultural Credit Junta. Reports and Balance Sheets*). Lisbon, 1914. National Press. 67 pages.

We have already dealt in this Bulletin with the Portuguese Agricultural Credit Junta, instituted for the encouragement of agricultural credit in general and especially for the foundation and development of mutual agricultural credit banks, and, at the same time, we examined the first report of this commission. The publication we shall now deal with is the second report and it is of special importance as the results of the work of the Junta begin to be seen in it.

In view of the importance of the matter of agricultural credit for Portuguese rural economy and the abundance of information included in the report under consideration, we shall devote an article to the subject in an early number of our bulletin in which we shall be able to treat the matter more at length than is possible in a brief notice of this kind.

We shall therefore limit ourselves now to stating that during the year 1913-1914 to which the report refers, 11 agricultural mutual banks were founded, all with unlimited joint and several liability of members, so that, with the 26 others previously founded, there are now altogether 37 of these banks working.

In regard to the influence exerted by these institutions in the regions in which they work the report attributed to it the following results :

(1) A reduction of the rate of interest charged by private lenders to the maximum rate charged by the banks, that is 5 % ;

(2) the facilitation of business and higher prices for produce ;

(3) the extension of the area under cultivation and an appreciable improvement in agricultural methods.

Part IV: Miscellaneous

BELGIUM.

THE LAND SYSTEM, AGRICULTURAL LABOUR AND LABOUR CONTRACTS IN THE BELGIAN CONGO.

OFFICIAL SOURCES :

ANNUAIRE STATISTIQUE DE LA BELGIQUE ET DU CONGO BELGE : Année 1913 (*Statistical Year-Book of Belgium and the Belgian Congo* : 1913). Brussels, A. Lesigne, 1914.

L'AGRICULTURE DU CONGO BELGE. Rapport sur les années 1911 et 1912 présenté à M. J. Renkin, Ministre des Colonies, par le Directeur général de l'Administration de l'Agriculture au Ministère des Colonies. (*Agriculture in the Belgian Congo. Report for* 1911 *and* 1912, *submitted to M. J. Renkin, Minister of Colonies, by the Director General of the Administration of Agriculture at the Ministry of Colonies*) From the " *Bulletin Agricole du Congo Belge* ", Brussels, N° 1, March, 1913.

DOCUMENTS POUR LE SERVICE DE L'AGRICULTURE ET POUR LES COLONS AGRICOLES (*Documents for the use of Agriculture and Farmers*). Brussels, Industrial and Financial Printing Press, 1913.

OTHER SOURCES :

DE LANNOY (Charles) : L'organisation coloniale belge (*Belgian Colonial Organisation*). Brussels, Lamertin, 1913.

IBAÑEZ DE IBERO (C.) : La mise en valeur du Congo belge (*The Utilisation of the Belgian Congo*). Paris, Recueil Sirey, 1913.

VAN DER LINDEN (Fritz): L'avenir du Congo belge (*The future of the Belgian Congo*). In the " Revue Economique Internationale ", Brussels, N° 2, May 15th.–20th., 1914.

VANDERVELDE (E.) : La Belgique et le Congo (*Belgium and the Congo*). Paris, Alcan, 1911.

In writing on the Belgian Congo it is not our intention to relate the history, rich in lessons, of the several phases and vicissitudes through which this colony has passed before reaching its present status (this history

is well-known and has recently been written by Emile Vandervelde) (1), but to give a brief account of the land system of the country and of the solution given to the two problems of agricultural labour, and labour contracts which are among the most arduous and delicate in colonial administration.

The area under Belgian sovereignty since 1908 amounts to about 2,365,000 sq. km. It is divided into twenty-two districts which are again subdivided into zones, sections, stations and native chieftainships, or districts placed under a native chief, amounting in all to 3,642.

The native population is calculated at 15 million, mostly belonging to the Bantu tribes. On January 1st., 1912, there were 5,465 foreigners in the Colony, almost all (3,307) of whom were Belgians.

The Colonial government in the mother-country is headed by the King, assisted by a Colonial Minister responsible to Parliament. The King exercises the legislative power by means of decrees, except in matters regulated by law, and the executive power by means of regulations and ordinances. A colonial council, consisting of 14 members and presided over by the Minister of Colonies, deliberates on the questions submitted to it from time to time.

In the Colony the King is represented by a Governor-General, assisted by one or more vice-governors, and by a certain number of directors placed at the head of the more important administrative services. The judicial anthority is in the hands of an attorney-general, who represents the Colonial Minister in the exercise of executive power in judicial matters.

The Governor General exercises the executive power entrusted to him by means of ordinances, and although he cannot legislate, he is authorised, in case of urgent need, to suspend temporarily the execution of given decrees, and to issue ordinances having the force of law. Since 1913 he is also entrusted to elaborate, with the assistance of a special commission, a scheme for a local budget, which may serve as a basis for drawing up the final budget. The budget is submitted year by year to the Legislative Chamber, along with a report on the administration and general situation of the Colony. The Chambers vote the estimates, and pass the general statement of expenditure for the previous year, after it has been approved by the Auditing Court.

Having stated these preliminary facts, we will now get to our subject.

§ 1. The legal classification of land.

In studying the land-system of the Colony it must first be noted that all land is officially classified under three categories: 1, registered land the private property of the non-natives; 2, land held by natives in which they have a right of occupation; 3, crown lands, including vacant lands

(1) See: VANDERVELDE EMILE: *Le Belgique et le Congo, le passé, le présent, l'avenir.* Paris, Alcan, 1911.

and those administered by the State. We shall briefly examine these three categories.

I. — *Registered Holdings*: They are the only ones held in fee simple by private persons. They comprise: (*a*) land to which non-natives had acquired title before July 1st., 1885, date of the establishment of the Congo Free State; (*b*) land ceded to private persons by natives or by the Administration of Crown Lands, in due legal form.

The exercise of the right of property is subject to registration, a formality which consists in entering an accurate description of the estate in a special register, indicating its juridical status, and the servitudes and charges of every description to which it is subject. A certificate, containing the particulars inscribed in the land register, is handed to the owner (ordinance of November 8th., 1886). All subsequent transactions modifying the juridical status of the estate must likewise be registered. Registration is the sole formality required for the legality of any contract dealing with real estate (sale, transfer, lease, etc.). As a rule, the keeper of the land register himself witnesses agreements and contracts are drawn up in his presence. But in the absence of the parties to the contract the registrar can register same on the presentation of an authenticated deed (Ordinance of February 23rd., 1906).

The system above described (1) has the double advantage of simplicity and safety. As the registration certificate is transferable, the transfer of real estate in the Congo is as easy as the transfer of shares in a company. On the other hand, as every alteration in the title to the land has to be inscribed in the land register and recorded on the certificate of registration, this latter contains all the data requisite for drawing up a contract.

Before registration, holdings are generally surveyed by a government surveyor. They are entered in the cadastre on plans drawn up for each commune.

The ordinances and decrees regulating the status of registered land only recognise the right of purchase in foreigners. This right has, however, also been conceded to enrolled or registered natives (2) who enjoy the same civil rights as foreigners.

II. — *Holdings occupied by natives*: In accordance with the decree of June 3rd., 1906, all land inhabited, cultivated, or in any way utilised by natives, by gathering the spontaneous products of the soil, extracting minerals, etc., comes under this category.

Moreover, to allow the natives to continue cultivating the soil according to their own methods, and to encourage them to undertake further cultivation, the above mentioned decree assigns to each village an area

(1) In substance, as the reader will see, this is the Torrens system, first introduced into South Australia by act of July 2nd., 1858, and since extended to other parts of Australia and introduced in Tunis in 1885.

(2) A native is enrolled either directly, at his own request, or by official act, in the registers, or, indirectly, by the entry of his birth or marriage in the official records.

three times the size of that occupied or cultivated by it, and this limit may be exceeded. The Governor General is required to determine and take official cognizance of the nature and extent of the rights of occupation of the natives.

As to the nature of these rights, opinions differ owing to the vague wording of the 1906 decree. But according to the prevailing opinion the expression " rights of occupation " merely means, " occupation which may entail obligations of the State towards the natives ". According to this interpretation the task of the Administration is reduced to determining the nature of the occupation, that is to say whether it be permanent, temporary, general or restricted, etc. ; the natives are never considered as owners, but only as users of the soil, the title to which is vested in the Crown.

But if the 1906 decree does not clearly define the rights of the natives, it does formally recognise their right to the free enjoyment of the land they occupy. They may, therefore, use such land as they please, but they may not part with it to outsiders without the consent of the Governor. This reservation, contained in the legislation of all African colonies, evidently aims at protecting the natives against dishonest European and native traders.

III. — *Crown Lands*: These fall into two groups, 1st., the land purchased by the State for purposes of public utility, the area of which is restricted; and, secondly, vacant land which, at the date of the establishment of the Congo Free State, constituted the major part of the territory.

With reference to the first class it must be mentioned that the State can acquire land in the same way as private parties. It can also have recourse to compulsory expropriation for reasons of public utility. In the usual course of things, expropriation is effected on the strength of a decree, but in exceptional and urgent cases an ordinance issued by the Governor is sufficient. If terms cannot be arranged with the owner, the decree or ordinance of expropriation is made executive by the court, which fixes a fair compensation on the basis of a valuation.

Land is considered vacant when neither registered nor occupied by natives. In declaring it Crown land, the ordinance of July 1st., 1885, simply enforced the principle recognised by art. 539 of the Belgian civil code, according to which " vacant property, without an owner, belongs to the Crown ". The vacant land in the Congo is, indeed, without owners, as no private person could show a legal title to lay claim to it, for it is not registered, and no natural title, for it is unoccupied.

Of the Crown lands a portion is withdrawn from commerce, such as rivers, river banks, water-courses, etc., and is not therefore susceptible of being held as private property. The remainder is State property ; the land can be utilised by the State as it would be by any private owner ; it comes within the domain of commerce, and therefore can be alienated.

§ 2. The principal rules regulating the gathering of plant products on Crown lands.

Belgian colonial history can be divided into two different periods and systems as far as the economic policy of the Government is concerned. The first, inaugurated in 1891, and rigorously carried out by the Free State, especially after 1901, is characterised by the tendency to reserve exclusively to the State the right of gathering and utilising the natural products of the soil to the exclusion of the natives. The second period dates from the annexation of the Congo to Belgium : the decrees, issued during this last period are inspired by two principles, in the first place the gathering of natural products on Crown lands is left to private enterprise, the State merely receiving a fixed sum in payment, and, in the second place, agricultural, commercial and industrial enterprises are encouraged by selling or leasing the land at a low figure.

The fundamental decree on this subject is that of March 22nd., 1910, which put an end to the system of gathering and utilisation by the State of plant products on Crown lands. Ever since July 1st., 1912, vacant land has been thrown open to private enterprise, with the exception of five forest reservations, covering a total area of 600,000 hectares.

The right of gathering natural products, is, however, subject to certain conditions prescribed by the aforementioned decree, which vary according to the persons and the products. The Congo natives can gather these products on the strength of a general authorisation, without having to make any payment or fulfil any formality. This concession being made in favour of the natives, the right of gathering is subject to a permit which must be procured (*a*) by those who gather the products personally ; (*b*) by those who have them gathered by a native or non-native staff in their service; (*c*) by those who purchase products gathered by the natives. Although the permit is granted nominally to a specific person, it is understood as granted to the business concern which gathers or receives the products ; so that if an individual is connected with several business houses he must obtain a permit for each one of them.

The permit is valid for a year, and is subject to a fee of 250 francs if it covers the right to gather rubber and copal, which are the only natural plant products of notable commercial value for exportation. If, instead, it covers other plant products it is granted free of charge.

To prevent the extinction of the rubber plants the decree of December 3rd., 1909, has placed a duty of 40 centimes per kilogram on rubber gathered from trees and creepers on crown lands and of 20 centimes per kilogram on rubber collected from grasses ; the revenue thus secured is laid out by the Government on plantations intended to compensate for the impoverishment of the natural sources of production.

The decrees which regulate the gathering of plant products on Crown lands do not contemplate forest products, as, hitherto, they have formed

a negligeable factor in colonial trade, and the need has not therefore been felt of systematically organising the utilisation of forests for trade purposes. So far the only measures taken with regard to forests are those which safeguard the rights of the State and prevent their destruction. The regulations now in force are those contained in the decree of July 4th., 1912, regulating the right of felling trees in Crown forests which have not been leased nor granted in concessions. They differ with regards to wood for fuel and timber for building purposes, and may be summarised as follows: every person legally established in the Colony is at liberty to fell, cause to be felled, or purchase from natives, wood for fuel needed for domestic purposes; but he must be provided with a permit, the cost of which varies from a minimum of 50 to a maximum of 1,000 francs, if he wishes to fell or purchase such wood for sale or industrial purposes. Such a permit is not required, as a rule, by natives.

As for building timber, the Congo natives are authorised to fell what they require for their own use. All other persons, however, must secure a permit from the district commissioner, even if the timber is for their own needs. If the timber is for use other than in the erection of buildings for the holder himself, and for the fittings and furniture thereof, a fee of 5 francs must be paid for each cubic metre of timber felled.

§ 3. Conditions for the sale and lease of Crown lands.

The sale and leasing of Crown lands is regulated by a royal decree of February 23rd., 1910. It only deals, however, with small areas conditions for which may be arranged by the Governor himself without the intervention of the central Government. As, however, the Government wishes to have a uniform system for all its land legislation, the provisions of this decree may be considered as typical of the main outlines of its policy for the cession of Crown lands. Some of the provisions of the decree are applicable to all contracts, others deal exclusively with those touching certain special categories of land. Of the former the most important are:

(*a*) The Colonial Minister decides on the districts in which and the periods for which the Governor General is authorised to sell or to lease Crown lands.

(*b*) Requests submitted to the Governor must state the use the applicant intends to make of the land.

(*c*) A lease cannot be made for more than 15 years.

(*d*) The owner or lessee must, within six months of signing the the contract, occupy the land purchased or leased, or place a representative or his on the same. Subsequently, he must take up permanent and effective residence thereon, and personally carry on his trade or industry, or have there as representative a person registered in the Colony. If he fail to take up settled residence there for a period of five consecutive years

in case of purchase, or for one year in case of a lease, the land reverts to the Colony, and the payments made thereon are forfeited.

The purchase price and the conditions of the contract vary according to the locality and the use to which the land is to be put. In urban districts land is sold or leased in lots in accordance with a plan and price fixed by the Administration. If there are many applicants, the sale or lease may be adjudged by auction. The lowest price for sale is 1 franc per sq. metre.

Outside of the urban districts and of the stations, that is to say at a distance of more than 3,000 metres from the former and 1,500 from the latter, land is sold or leased in sections of variable size, according to a tariff drawn up by the Governor General.

The price of land intended for farm use is as follows:

(*a*) For a radius of ten kilometers adjoining urban districts, railways, or navigable water-courses, the price is 25 francs per hectare.

(*b*) Beyond this zone the price is 10 francs per hectare. If, however, the land is intended for industrial use the sale price is 1,000 francs per hectare. This price is also charged for land intended for farms.

Rents are uniformly fixed at 5 per cent. of the sale price.

In the district of Katanga the sale and leasing of land is subject to special regulations issued on May 1st., 1910. These draw a distinction between urban and suburban land, and land used for farms, and special rules are laid down for land set aside for agricultural purposes, the breeding of live-stock, and other agrarian uses. This latter category of holdings is in turn subdivided into three classes:

The first includes land adjacent to the suburban zones, to railways, and to navigable water-courses, or in the neighbourhood of mining centres, especially suited for the raising of crops, planting with orchards, fattening stock, and the dairy industry. These holdings are let or sold in sections of 100 to 200 hectares. The sale price is 25 francs per hectare.

The second class includes land suited for extensive agriculture, stock-breeding, and agricultural industries, situated at not less than 5 kilometres from the outer edge of the suburban zone and mining districts, or 5 kilometres from railways and navigable water-courses. These holdings are let or sold in sections of 200 to 1,200 hectares at a sale price of 7 francs per hectare.

The third and last class consists of land intended for use as cattle ranches, situated at a distance of at least 15 kilometres from the boundaries above referred to. It is sold in sections of 1,200 to 5,000 hectares, at a price of 2 francs per hectare.

A wise provision enacts that agricultural land is not definitely sold or let until after a preliminary period of occupation, lasting for 5 years, during which the applicant or his agent must have begun making use of the land in accordance with prescribed conditions, which vary with the different classes of land.

Before entering into possession of his lot the applicant must sign a contract which lays down the conditions of preliminary occupation, as

also those of the subsequent sale or lease. The occupier pays an annual rent equivalent to 5 per cent. of the price of the land.

The purchase price is paid on the registration of the contract. The purchaser may however, discharge his debt in 10 annual instalments, paying interest on same at the rate of 4 % per annum.

If, after 5 years of preliminary occupation, the occupier has failed to utilise the land in the way prescribed, he forfeits the right to purchase or lease.

What has been said as to preliminary occupation of lands holds good only for Katanga, but the Government intends to introduce the same system into the other parts of the Colony.

Noteworthy proposals have recently been made by the Colonial Minister in a report on the agricultural situation of the Colony (1) with reference to the colonisation of Equatorial Congo, so different to Katanga in physical conditions and economic importance. These proposals are based on the following principles: 1, facilitation of the purchase and lease of agricultural lands, especially in the case of holdings of less than 300 hectares; 2, exemption from taxation of all rural buildings for a period of ten years; 3, abolition of customs duties on all requisites for the plantations, and of the tax due on agricultural labour; 4, abolition of export duties on agricultural products, and reduction of rates of carriage; 5, organisation and facilitation of agricultural and mortgage credit.

§ 4. The labour question and labour contracts.

The question of labour is certainly one of the most complex and delicate which the Colony has to face. The scanty population, the limited number of white colonists, and, more especially, the uncivilised state of the natives, have compelled the Government not to limit its action to regulating the relations between employers and employed, but to regulate also the mode of recruiting labour. It is therefore a two-sided problem, dealing, on the one hand, with the enrollment of labour, on the other with the conditions of employment. Let us examine separately the two sides of the question and the solution given to them.

(*a*) *The Enrolment of Labor.* Before the annexation of the Congo to Belgium the lands of the Colony were exploited mainly by the State for its own benefit, and work was mainly limited to gathering the natural products of the soil, the natives being compelled to give their labour as a tax due to the State. When a plantation had to be laid out or a road or a railway built, this legal obligation laid on the natives supplied the requisite labour. Whites were only employed as directors or overseers: they were

(1) See the volume "L'agriculture du Congo belge", quoted amongst the sources of the present article.

engaged by the Administration or enlisted for a certain time in Europe. Even when the State left to private parties the exploitation of Crown lands, the main exports still consisted of the natural products of the soil. Europeans generally restrict their transactions to purchasing from the natives the products they gather, they are therefore traders rather than producers. On the other hand, the amount of labour required for plantations, buildings and mines is comparatively small. All this explains why, in most of the Congo, there is not yet a regular and considerable demand for labour.

Conditions are different however in Katanga. In this region there is, on the one hand, a great demand for labour, due more especially to the growing importance of the mining industries, and on the other hand the Belgian-Congolese population, which elsewhere has no competition to meet, here comes in contact with Anglo-Rhodesian competition. Moreover, the temperate climate of Katanga is suited to Europeans who can settle there, which is not possible in the other districts, and this naturally affects the organisation of labour.

In view of all this the most urgent question to be solved after annexation was that of encouraging the immigration of Belgians into Katanga.

The means employed for this purpose are the payment to Belgians of good character and fit for labour of an indemnity to cover, in all or in part, the cost of the journey, including not only the travelling expenses of the emigrant himself, but also those of his wife, children, baggage, furniture, etc. Full expenses are only allowed to third class passengers.

The Government also encourages undertakings, more especially if started by companies, for settling groups of colonists in this district. Such an effort was made by the *Compagnie foncière agricole et pastorale du Congo.* This company recruited colonists on the following conditions: each colonist received travelling expenses and a year's maintenance, during which time he was in the direct employment of the company. At the end of the year the Company granted the colonist lands which he could, at choice, purchase, rent, or take on the crop-sharing (métayer) plan, lending him the requisite plant and live-stock. The loan was secured on the land. The Company had received a free grant of 150,000 hectares of land from the Special Committee which administers Katanga, but the means at its disposal were inadequate for carrying out so ambitious a scheme, and in 1912 it returned the land and the settlements to the Government.

In the case of coloured labour the Government only regulates the mode of recruiting the natives. This is provided for by a decree of August 17th., 1910, amended by that of January 25th., 1912, of which the following are the main features; 1, The recruiting of labour is, in a general way, sanctioned throughout the Colony. Nevertheless, for reasons of public interest, which must be stated, the Governor General may forbid it in specified districts and for certain periods, or may make it subject to special conditions. 2, The definition given of recruiting by the decree of January 25th., 1912, is that of a person, native or other, conducting or attempting to conduct, engaging or attempting to engage natives to be employed at a distance exceeding 10 kilometres from their

customary residence. The provisions of the decree are, therefore, not applicable to persons employing labourers residing in the immediate locality. The aim of the decree is to protect labourers engaged far from their homes from the arbitrary tyranny of contractors. 3, No one may enroll labourers without a special permit. This is granted free of charge to persons engaging labourers on their own behalf, or for a single private individual or company of which, for at least three months, they have been the sole agents. In all other cases such permit is granted on payment of a fee of 100 francs. It, therefore, only affects, generally speaking, those persons who make a profession of recruiting labourers. The permit, which is valid for a year, may be suspended on serious grounds. 4, All persons engaging labourers are required to make suitable provision for their maintenance. If employment should not be found for such men, and if they should ask to be repatriated within a month of their arrival at their destination, the recruiting agent must comply with their request. This obligation does not hold good from the time that the labourer enters the service of an employer, nor if he should wilfully refuse the situation offered him.

(b) *The labour contract.* The decree of August 17th., 1910, on the recruiting of labour also regulates labour contracts, by which "a native of the Congo or adjacent colonies, whether he be registered or not, agrees to enter the service of an employer who is not a native of the Congo". The nature of the services to be rendered is not specified; consequently the decree applies indiscriminately to workmen, peasants, employees, servants, etc. The above definition also shows that the labour-contract stipulated between Europeans and natives is placed on the same footing as an ordinary contract, regulated by the civil code or by local custom.

On the strength of this decree any native can legally hire his services to an employer. But natives placed under the protection of the State or of recognized associations, cannot until they have attained their majority or on their emancipation, legally hire themselves out without the consent of their guardians. This special provision was made in the interest of young natives who might engage themselves as labourers in order to escape from the educational discipline to which they are subjected. Women are also forbidden to hire themselves out without the express or tacit consent of their husbands, or, if unmarried, without that of the judicial or administrative authorities. The terms of the labour contract are drawn up by the parties to the same, subject to the following restrictions:

1. — No contract is valid for more than three years. When its duration is not stated in the agreement, or is not made clear by the nature of the work undertaken, it is determined by custom, and may not exceed three months.

2. — The wages must be agreed upon and paid in cash.

3. — All workers, including probationers, must be supplied with a book stating, amongst other things, the mode of payment of salary.

Unless agreed to the contrary, the employer is required to supply the labourer with board and lodging, and to pay him his wages each month, or each week if board and lodging is not given.

Lastly, regardless of any stipulation to the contrary, the employer is bound: (*a*) to see that the work is performed under suitable conditions of safety and hygiene; (*b*) to allow the labourer four days' leave a month without making any deduction for cost of food and lodging; (*c*) to provide, within the limits of possibility, proper treatment, for sick or injured labourers for a length of time at least equal to that granted for sick-leave which, except for agreements or customs to the contrary, varies, according to circumstances, from a fortnight to a month; (*d*) finally, he must provide, on the conclusion of the contract, for the return of the labourer to the locality in which the contract was drawn up.

The observance of these provisions is enforced by suitable penalties.

§ 5. Some data on the economic development of Belgian Congo.

It is of interest to follow up the above particulars on the land system, labour, and labour contracts in the Belgian Congo by some data on its economic development, which we take from the Statistical Year Book of Belgium for 1913, recently published. We will first glance at the finances of the Colony:

The Budget of the Colony. — The ordinary receipts and expenditure of the Colony for the fiscal year 1913 amounted respectively to 40,418,100 frs. and to 50,933,064 francs. The principal receipts were derived from direct and personal taxation (fr. 10,142,000), custom's duties (fr. 8,261,500), transport dues (fr. 3,785,000), and the mineral output (fr. 3,780,000). Taxation on rubber and rubber plantations yielded 2,250,000 francs; that on ivory 2,110,000 francs. The most important items of expenditure are those for the general internal administration of the Colony (fr. 25,295,647) and for the administration of finances and mines (fr. 6,488,795). The outlay on agriculture amounted, for that year, to 1,003,300 francs; that on industry, commerce, and immigration in all to 988,671 francs.

Production. — Apart from plants cultivated by the natives for their own use, the more important of which are tapioca, sweet-potatoes, sorghum, bananas and ground nuts, the leading products of the Congo are rubber, ivory, palm-nuts, palm oil, and copal. The Government encourages the cultivation of rubber, cocoa, cotton and coffee.

The output of gold and copper is also constantly increasing. The Kilo mines yielded, in 1912, 740 kgs. of gold and those of Moto 245 kgs.

Commerce. — The foreign trade of the Belgian Congo for the period 1896-1912 is shown by the following table:

TABLE I. — *The Import and Export Trade of the Belgian Congo.*

Years	Special Trade		General Trade	
	Imports	Exports	Imports	Exports
	Fcs.	Fcs.	Fcr.	Fcs.
1896–1900 (yearly average)	21,508,728	35,202,947	24,711,700	29,771,839
1901-1905 id.	21,099,780	52,015,706	35,188,780	61,512,080
1906–1910 id.	26,443,836	56,662,785	33,574,203	76,960,388
1910	36,846,508	66,602,295	43,979,142	95,598,698
1911	48,632,877	54,052,426	58,385,060	78,955,399
1912	54,232,878	59,926,399	62,228,986	84,265,394

The most important trade of the Congo is that done with the home country; in 1912 the imports from Belgium amounted to 35,866,354 francs, and the exports to Belgium to 54,183,192 francs.

The special trade for 1911 and 1912, according to information given by the Colonial Office, was as follows:

TABLE II. — *General Results of the Foreign Trade of the Belgian Congo.*

Description	Imports		Imports	
	1911	1912	1911	1912
	Fcs.	Fcs.	Fcs.	Fcs.
1. Live Animals	459,597.72	779,490.52	»	»
2. Drinks and food stuffs . .	11,011,990.35	11,145,888,93	919,521.93	1,132,890.70
3. Raw or semi-prepared material	2,315,232.15	3,241,681.48	48,278,406.99	54,218,434.58
4. Manufactured goods . . .	34,896,056.97	39,065,817.35	1,735,447.56	1,252,852.65
5. Gold and silver ore . . .	»	»	3,119,050.01	3,322,221.39
Totals . . .	48,632,888.19	54,232,878.28	54,926,399.49	59,926,399.32

The principal exports in 1912 were rubber (fr. 34,796,103), copal (fr. 6,384,862), ivory (fr. 6,075,550), copper ore (fr. 4,112,400), gold ore (fr. 3,322,221), palm-nuts (fr. 2,770,880), palm oil (fr. 1,252,853), and cocoa (fr. 1,115,001).

Shipping. — During 1912, 268 ships (817,661 tons) entered the ports of Boma and Banana, and 269 (820,161 tons) cleared these ports.

BULGARIA.

DISTRIBUTION OF LAND ACCORDING TO CROPS AND TENURE.

OFFICIAL SOURCES :

Статистически Годишникъ на Българското Царство. (*Statistical Yearbook of the Kingdom of Bulgaria*). Sophia, State Printing Press .

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§ 1. General features.

Situation, Arable Soil, and Climate.

The Kingdom of Bulgaria is considered, in the present article, as it was before the Peace of Bukharest (1). It occupied that part of the Balkan peninsula lying between 41° 36' 12" and 44° 12' 30" North latitude and between 22° 12' 45" and 28° 36' 45" longitude East of the meridian of Greenwich, and its total area was 96,345.5 square kilometres. (2).

The country presents a fortunate combination of high mountain chains surrounding and protecting vast fertile plains. At the foot of peaks, many of which exceed 2,000 metres in height, (Moussalla for instance, the highest in the kingdom, attains 2,923 metres), plains, of which the lowest point above sea level is 200 metres, extend as far as the eye can reach. For the whole of Bulgaria the average altitude is 425 metres, and the total area of the territories of the various levels is thus divided :

From	0	to	200	m.	altitude	35,545.9	sq. km.	that is	37.3 %	of the whole country
»	200	»	500	»	»	31,439.8	»	»	33.0 »	»
»	500	»	900	»	»	16,068.8	»	»	16.9 »	»
»	900	»	1,400	»	»	9,111.9	»	»	9.6 »	»
»	1,400	»	2,000	»	»	2,570.6	»	»	2.7 »	»
»	2,000	m.	and	over		486.8	»	»	0.5 »	»
					Total . . .	95,223.3 (3)			100.0	

In view of the local conditions, climatic and others, this shows that about 7 % of the total area of the kingdom is land adapted for the most intensive cultivation.

(1) Bulgarian statistics, even the most recent, as for instance those issued a few weeks ago in regard to landed property (see " Sources "), contain no particulars respecting the territories that became Bulgarian by the peace of Bukharest. Under these circumstances, we must confine ourselves to particulars collected before the war.

(2) According to the calculations made at the Staff Office of the Bulgarian army. The figures given for the area vary considerably (from 95,225.2 km., according to Jourdan Dantschoff and Ischirkoff, to 99,276.0 km., according to T. Karakascheff) and are so uncertain that the Official Statistical Yearbook gives two different estimates; that given above appears through the greater part of the book, the other, which is less (95,223.3 km.), in the first chapter which treats of territory and population (See " Yearbook " 1910, p. 4). Owing to this anomaly we must take sometimes the one estimate, sometimes the other.

(3) See note 2.

The great mountain chains of Rilo-Rhodope, Ossogovo, Stara Planina and others divide Bulgaria into three regions, differing essentially from one another in many respects, viz. :

North Bulgaria	with	50,687	square	kilometres.
South Bulgaria	»	32,977	»	»
South-West Bulgaria	»	11,558	»	»

North Bulgaria may be described as consisting of a series of terraces rising gradually from north to south from the Danube to the high tableland. South and South-West Bulgaria, extending, the one towards the Maritza, the other towards the Black Sea and enjoying a most favourable climate, are the principal centres of intensive agriculture, viticulture and gardens.

The conditions in respect to water supply are in general excellent. The numerous tributaries of the Danube in the north and of the Maritza in the south assure an irrigation fully sufficient for the cultivable regions.

With regard to climate, Bulgaria is scarcely more favoured than the rest of the Balkan Peninsula, especially in the north. The warm and beneficent west winds, checked and cooled by the high mountains, reach it dry and cold, and cannot counterbalance the influence of the north-east winds, which are the most prevalent, and which sweep unchecked with their cold breath over all the valley of the Danube. The average temperature of the months varies from about — 2° in January to + 23 in July (general average for the year + 12°), indicating a climate quite continental. The rainy season in Bulgaria corresponds with that of the whole of Eastern Europe, but also during the other seasons it rains abundantly. The average annual rainfall is 700 litres per square metre, and the rainfall is nowhere less than 450 litres.

Administrative Divisions: Departments, Arrondissements and Communes.

For administrative purposes the kingdom is divided into twelve departments, of which the capitals are Bourgas, Varna, Vidin, Vratza, Kustendil, Plovdiv (Philippopoli), Pleven (Plevna), Rousse (Rustchuk), Sophia, Stara-Zagora, Tirnovo and Choumen. At the head of each department is a prefect entrusted with all executive power, and especially the duty of supervising the administration of the communes, and of managing the finances of the department. An elective body, the Departmental Council, works in connection with each prefecture, its functions being to divide the taxes among the communes, to administer the property of the department, to draft the estimates of revenue and expenditure, and to audit the accounts of the local institutions under its control. The departments are subdivided into 71 arrondissements, and these again into communes, which under Art. 3 of the Constitution have a very extensive autonomy.

The commune, which serves as a basis to the edifice of the State, enjoys an almost total autonomy, with which that of no corresponding

foreign organisation can be compared. Urban and rural, they all enjoy judicial independence and are administered by municipal councils elected by universal suffrage for three years in the urban and for two in the rural communes. The municipal councils of the cities are convoked in ordinary session four times a year, those of the rural three times a year. In both cases the session lasts not less than a fortnight. The municipal council elects from among its members a mayor and one or more colleagues who constitute the executive body. The entire administrative authority is vested in the mayor, and his ordinances or rules are obligatory, just as those of the central authorities are.

Population.

At the beginning of the year 1911 the whole population of the Kingdom of Bulgaria amounted to 4,329,198, and this population was incontrovertibly one of the most heterogeneous in Europe, divided as it was, according to official statistics, into not less than thrity-one ethnographic groups, speaking twenty-three different languages. Besides the Bulgarians properly so called, the number of whom is calculated in official statistics at 3,984,000, the chief groups may be divided as follows:

Turks	500,000	Jews	40,000
Gipsies	100,000	Tartars	20,000
Roumanians . . .	80,000	Armenians	15,000
Greeks	65,000		

In an economic point of view one of the peculiar features of this motley population is the large number of large families. The statistics of the year 1905 referring to this subject give the interesting figures which we reproduce below :

TABLE I. — *Statistics of Large Families.*

Number of Members of Families	Number of Families			Number of Members of Families	Number of Families		
	Towns	Country Districts	Total		Towns	Country Districts	Total
1	14,470	10,390	25,110	11	731	10,032	10,763
2	19,862	24,267	44,129	12	394	6,503	6,897
3	26,339	47,009	73,348	13	174	4,158	4,332
4	28,603	69,393	97,996	14	103	3,029	3,132
5	26,549	84,373	110,922	15	51	1,791	1,842
6	20,472	82,668	103,140	16	33	1,208	1,241
7	13,183	65,424	78,607	17	16	863	879
8	7,266	44,269	51,535	18	17	559	572
9	3,450	26,972	30,422	19	4	419	423
10	1,600	16,099	17,699	20	6	284	290

These numerous large families constitute a patriarchal form of group in which generations of adult descendants remain under the direction of the head of the family and under the system of community of property. Till lately much more numerous, these large families are now tending to disappear, owing to the subdivision of rural holdings which the succession to property and its division among the descendants of the heads of the present families involve.

Agricultural Statistics. Organisation and Working. Census of Landed Property.

We shall now conclude these short introductory notices by stating that the Kingdom of Bulgaria is incontrovertibly, one of the most advanced as regards organisation and development of statistics. Since the proclamation of independence, the different Ministries which have succeeded to power have always given special attention to this important branch of the central administration. Thanks to its perfect organisation, and thanks also to the wisdom of its functionaries, powerfully seconded by special legislation which unhappily is yet almost unique of its kind (1), the Statistics Commission of the Kingdom of Bulgaria possesses exact details of every branch of national life, which have seen the light in a remarkable series of publications.

Extremely detailed census returns of the population of the Kingdom were made ont in 1881, 1885, 1888, 1893, 1900, 1905 and 1910. Such Censuses will be again taken in the future at regular intervals of five

(1) We here quote, by way of example, some articles of the law regarding statistics :

Art. 14. Information, whether verbal or in writing, furnished to the Statistics Commission, must never in any case serve as an excuse for additional taxation, nor may it be adduced as evidence before the different administrative and judicial authorities. The reports in writing sent in by the employees of the State or of the communes, by various societies and by private persons must be destroyed by the Commission after the elaboration and scrutiny of the general tables of statistics.

Art. 16. Any private person ar any society refusing or trying to avoid furnishing data or information asked for, or giving false, inexact or incomplete data or information, is liable to a fine not exceeding 100 francs, by order of the prefect based on the administrative enquiry relative thereto.

Art. 17. Any mayor of a commune, any member of a permanent commission or other communal or departmental functionary or employee (deputy or substitute of the mayor, instructor, trustee of church or school, secretary, etc.) who refuses or who has neglected at the proper time tc furnish the required data, or who may have furnished false, inexact or incomplete data, is liable to a fine not exceeding 100 francs, by decree of the prefect and based on the administrative enquiry relative thereto.

Art. 19. Independently of the fines provided for in articles 16, 17 and 18 of the present law, the prefect or other authorised authority must immediately take the necessary steps that the information asked for by the competent authorities be furnished on the spot for the account of anyone who has caused any delay in communicating the information or given it inexactly or insufficiently.

years and, as was the case on the last two occasions, information in regard to the dwellings, livestock, agricultural machinery and means of transport will also be obtained.

Since the proclamation of independence two such censuses have been taken, the first in 1897, the second in 1908. The procedure followed was the same in each case. Very detailed schedules of questions were forwarded to each individual landholder, and sent to the mayors of the several communes to be filled in, after they had received instructions on the subject. There are no other census agents. The information to be filled in on the census papers was obtained from the registers for the purpose of the land tax, which have to be kept in every commune.

The registration of these reports is made in the offices of the mayors, and, on their responsibility, for private landed property. For communal land and also for that belonging to the Church, to schools, to public and private establishments and to the State, the registration must be made by those entrusted with the administration of the land.

The ultimate verification of the data of the second census of landed property was completed in March, 1909, the elaboration and grouping in tables was finished in April, 1911. The collected material was published in four large volumes at the close of the summer of 1911. The general results (from which we borrow the greater part of the figures that follow) were published in one volume in the course of the year 1914. (See "Sources").

§ 2. The agricultural population.

The distribution of the mountain ranges and other subjects dealt with in the first paragraphs of the present article, show that Bulgaria is a country destined by nature for the most intense development of all branches of rural economy. And, in fact, statistics indicate that more than three quarters of the population of the Kingdom are engaged in agriculture. The exact figures, according to the annual official report of 1910, are shown in the following table:

Professions	Number of Inhabitants	Proportion % of the Total Population
Agriculture (1)	3,108,816	77.04
Quarries, Mines, Salt Works	2,064	0.05
Industries and Trades	358,846	8.90
Transport and Communications . .	64,408	1.60
Commerce and Banks	165,806	4.22
Liberal Professions, Administration, Private Means, Domestic Service, Unproductive and Unknown. . .	335,635	8.19
Total . .	4,035,575	100.00

This clearly marked preponderance of the agricultural classes prevails over the whole extent of the country. Under the influence of purely local conditions the proportions in certain districts sink far below the general averages, as in the arrondissements of Sliven and Pechtchera, where the existence of great industries (occupying 27 % and 30 % of the total population) lowers the agricultural percentage to 50.13 and to 52.61 %. In the other districts, on the contrary, it rises sometimes to much above the average, for instance to 92.56 % in the rural arrondissement of Roussé, to 93.48 in that of Sophia and even to 95.60 in the district of Kula (department of Varna). But, we repeat, these are exceptions due to purely local circumstances, and the following table proves that they have no influence whatever on the eminently agricultural character of all the different regions of the kingdom.

(1) Including those who live on the produce of hunting and fishing.

TABLE II. — *Agricultural Population of Bulgaria according to Departments.*

Department	Area in sq. Kms.	Total Population	Agricultural Population			
			Active	Not Active (1)	Total	% of the Total Population
Bourgas	11,856.2	335,958	135,680	105,329	241,009	71.13
Varna	9,031.0	305,134	124,610	100,786	225,396	73.87
Vidin	4,405.0	216,077	102,979	78,447	181,426	83.96
Vratza	6,915.6	285,461	138,987	110,350	249,337	87.35
Kustendil	4,727.6	213,661	101,952	74,550	176,502	82.61
Plovdiv	10,124.7	418,547	161,866	121,205	283,071	67.63
Pleven	7,661.1	338,979	153,802	123,572	277,374	81.83
Roussé	7,591.5	378,932	162,002	136,266	298,268	78.71
Sophia	9,674.6	433,361	168,441	131,402	299,843	69.19
Stara-Zagora	10,613.5	420,372	190,576	139,449	330,025	78.51
Tirnovo	7,745.3	422,769	179,518	149,101	328,619	77.73
Choumen	5,999.4	266,324	118,768	99,178	217,946	81.84
Total	96,345.5	4,035,575	1,739,181	1,369,635	3,108,816	77.04

(1) That is to say members of the family of the cultivator or other persons depending upon him, but taking no direct part in agricultural labour.

§ 3. DIVISION OF LAND ACCORDING TO CROPS.

Character of Farms. Progress from 1897 to 1908.

Let us now see how much land is at the disposal of this numerous agricultural class, and how it is cultivated.

According to the census of landed property in the year 1908, the results of which have lately been published, the total area of the whole kingdom was 9,634,550 hectares (1). That land which from natural causes was incapable of cultivation (rocks, hills, regions of too great elevation, tracts covered with water, etc.) with that not cultivated for other reasons (inhabited districts, roads, highways, railways, etc.), covered an area of 1,652,099.02 hectares, equal to 17.15 % of the total area of the country.

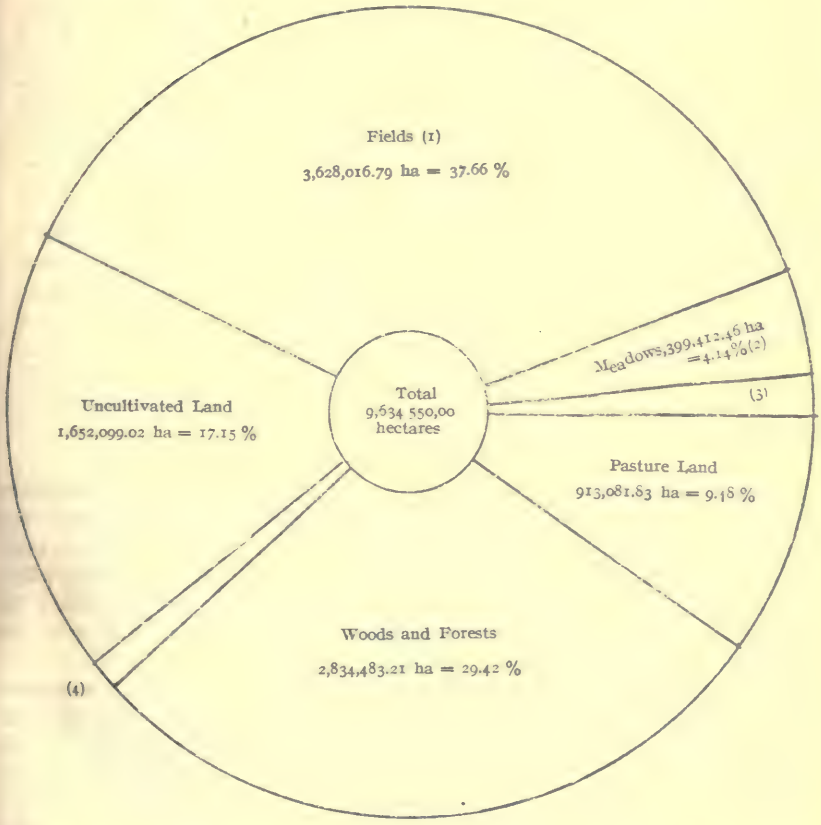
Scarcely twelve years earlier when the first census of landed property was made in 1897, the area of uncultivated land amounted to 2,156,701.05 hectares, equal to 21.54 % of the whole area of the kingdom.

(1) See note 2, page 84.

In other words, in that short space of time the people of Bulgaria have wrested from nature 504,602 hectares, and increased their landed property capable of cultivation to 5.24 % of the whole country, or 6.5% of the cultivable part.

After deducting the amount of uncultivated land of which we have just spoken, the total area of uncultivated land in Bulgaria is found to be 7,982,450.98 hectares, the division of which according to cultivation is shown more clearly as follows.

Distribution of Land in the Kingdom of Bulgaria in 1908, *according to Crops.*



(1) Fields, Kitchen gardens, Fallow Land, Land not utilised, Land sown for gardens or with tobacco, sugar beet, etc.
(2) Natural Grass and Artificial Meadows.
(3) Fruit Gardens, Land planted with mulberries, roses and ordinary or America vines. — 112,080,90 ha. = 1.16 %.
(4) Marshes, islands, swamps, building lots, waste land, land covered with brushwood, or willows, mines etc. — 95,365.71 ha. = 0.99 %.

We give this division with fuller details, adding the relative figures for each class of land, expressed in percentage of the general area of cultivated land, and giving the corresponding figures of the land census of the year 1897. We shall thus be able to judge of the progress made relatively to the extent of every kind of cultivation during the decade here under consideration.

TABLE III. — *Distribution of Land according to Crops.*

Class of Land	Area Cultivated		Percentage of Increase or Decrease	Relative Area in 1908 per cent.
	1897	1908		
Fields	2,975,386	3,628,016	+ 21.93	45.45
Meadows	352,404	399,412	+ 13.34	5.00
Gardens	5,020	9,230	+ 83.87	0.11
Rose Gardens	4,844	7,862	+ 62.31	0.10
Vineyards	114,815	94,987	— 17.27	1.20
Pasture Land	970,199	913,081	— 5.89	11.44
Woods and Forests	2,867,870	2,834,493	— 1.16	35.10
Miscellaneous	123,207	95,365	— 22.60	1.20
Total	7,413,748	7,982,450		100.00

This little table shows admirably the present position of rural economy in Bulgaria. In the first place we observe a very considerable diminution (22.69 %) of the general area of land the utility of which is not the result of cultivation properly so called, viz. the area of marshes, sandy island in rivers, salt pits, nurseries and other land more or less left idle. We observe a marked diminution in the area of pasturage, which is more and more giving place to meadows, natural or artificial.

With these diminutions, which have undeniable advantages, we observe, it is true, a slight decrease in the area of woods and forests, and one much more serious in that of the vineyards, but in both cases the lesser quantitative value shown by the figures in the table is largely compensated in reality by the greater qualitative value of the produce. With regard to the forests, the laws enacted during the last few years not only tend to check the cutting down of trees, but to encourage the rational management of what still remains of the once vast forest wealth of the country. If vineyards disappear here and there, it is always to give place to more intensive cultivation, more productive in an economic point of view, such as that of roses and the more delicate fruits.

TABLE IV. — *Distribution according to Departments of the Cultivated Land of the Kingdom of Bulgaria in* 1903.

Departments	Fields (1)		Meadows		Gardens: Pear or Mulberry-trees		Gardens: Rose Gardens		Vineyards		Pasture Land		Woods and Forests		Other Land (2)		Total	
	Hectares	per 100 inhab. hectares	Hectares	per 100 inhab. hectares	Hectares	Ares per 100 inhab.	Ares	Ares per 100 inhab.	Hectares	Ares per 100 inhab.	Hectares	Hectares per 100 inhab.	Hectares	Hectares per 100 inhab.	Hectares	Ares per 100 inhab.	Hectares	Hectares per 100 inhab.
Bourgas . .	428,906.19	124.78	13,584.87	3.95	167.86	5	30	00	11,677.14	340	160,502.29	46.69	422,043.50	122.78	28,679.62	834	1,065,561.77	310.00
Varna . . .	490,846.11	154.66	5,875.01	1.85	161.51	5	—	—	7,438.50	234	28,909.74	9.11	274,716.76	86.56	18,165.98	572	826,113,61	260.30
Vidin . . .	206,559.24	91.08	42,239.97	18.62	223.42	10	—	—	3,234.73	143	18,895.10	8.33	73,691.63	32.49	2,424.00	107	347,268.09	153.10
Vratza . . .	228.163,72	76.32	68,506.75	22.92	148.33	5	72	00	1,718.27	57	76,114.12	25.46	111,880.14	37.42	5,700.26	191	492,232.31	164.65
Kustendil .	142,771.81	64.14	31,324.88	14.07	2,967.85	133	—	—	6,334.57	285	42,934.93	19.29	123.475,35	55.47	646.38	29	350,455.77	157.44
Plovdiv . . .	293,596.15	67.82	28.368.15	6.55	466.21	11	414,244	96	21,747.47	502	115,439.82	26.66	397,966.34	91.92	808.75	19	862,535.33	199.23
Pleven . . .	266,651.22	75.66	52,836.30	14.99	1,425 49	40	—	—	3,980.28	113	84,846.76	24.08	161,031.78	45.69	8,566.74	243	579,338.57	164.39
Roussé . . .	353,820.97	90.12	6,228.84	1.59	145.59	4	—	—	8,621.16	220	53,642.42	13.66	243,021.28	61.90	6,489.67	164	671,969.93	171.15
Sophia . . .	238,829.00	52.21	95,104.69	20.79	359.38	8	—	—	479.75	10	108,753.20	23.77	280,141.83	61.24	1,721.14	38	725,388.99	158.56
Stara-Zagora	450,825.29	104.44	15,114.65	3.50	771.00	18	371,580	86	17,629.88	408	92,066.09	21.33	342,230.34	79.28	1,904.84	44	924,257.89	214.11
Tirnovo . .	293,732.00	67.45	29,439.24	6.76	2,328.27	53	352	00	6,626.95	152	83,112.98	19.09	169,397.63	38.90	19,832.52	455	604,473.11	138.81
Choumen . .	233,315.09	85.01	10,789.11	3.93	65.78	2	—	—	5,498.81	200	47,864.38	17.44	234,896,63	85.58	425.81	16	532,855.61	194.15
Total . . .	3,628,016.79	86.66	399,412.46	9.54	9,230.69	22	786,278	19	94,987.51	227	913,081.83	21.81	2,834,493.21	67.70	95,365.71	228	7,982,450.98	190.67

(1) Including vegetable gardens.

(2) Including marshes, islands, swamps, saltpits nursery gardens, etc.

The most characteristic figures of the table are those which indicate the progress made during the short period between the first census and the second, in the cultivation of fields, meadows, orchards, and rose gardens ; in other words, of intensive cultivation and great economic productiveness. And if we take into account the fact that the quantitative and qualitative development advance equally, that the years in question have been especially fruitful with regard to the progress in the technique of cultivation and the improvement of produce, and that the output is every day becoming easier and more profitable we shall agree that the above table is in itself sufficient to present the future of agriculture in Bulgaria in the most favourable light.

We shall complete this short description of the division of land in Bulgaria capable of cultivation and of the general conclusions authorised by the progress made, with Table IV, which shows in more detail the area of land according to cultivation and according to departments of the kingdom with the average extent in ares of cultivation per 100 inhabitants :

§ 4. General distribution of landed property.

Various Classes of Landed Property. Progress from 1897 *to* 1908.

Let us now consider the division of land in Bulgaria, not according to crops, but according to tenure.

For this purpose it will be convenient to divide the landed property into four general classes, viz. :

1. *Private* landed property, that is to say, belonging to private individuals.

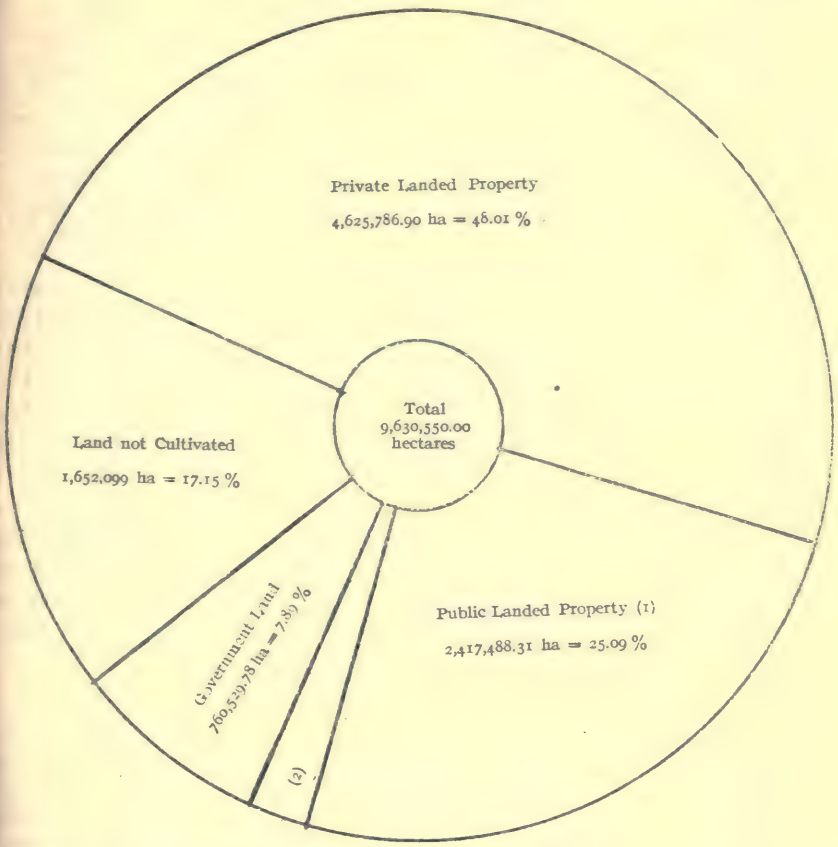
2. *Public* landed property, under which denomination we shall consider exclusively land belonging to *communes*, that is, land cultivated for the common benefit of all the inhabitants of the commune.

3. Landed property of *institutions*, that is, land belonging to schools, churches, monasteries and convents, mosques (including vakouf property), the National Bank of Bulgaria, the Agricultural Bank of the Kingdom, various societies and departments (provinces) of the kingdom ; and finally.

4. Landed property of the State.

The general distribution of these various classes of landed property throughout the kingdom with regard to its total area is shown very clearly below.

Distribution of the Land in the Kingdom of Bulgaria in 1908, *according to Tenure.*



That is to say, belonging to communes.
Land belnging to institutions, societies etc. — 178,645.99 ha. = 1.86 %.

It will be seen, we include uncultivated land. If we neglect it, that is, if we take account only of land of real value for agricultural economics, the general division of landed property in the whole Kingdom will be as follows:

Private Landed Property	57.99 %	of the total cultivated.
Public » »	30.20	» » »
Landed Property of Institutions	9.53	» » »
» » of the State .	2.28	» » »
	100.00	

Let us now compare the division of the land as possessed in 1908 with the corresponding data of the first land census of 1897, as we have already compared the figures respecting the dis ribution according to crops.

TABLE V. — *Distribution of Land According to Tenure.*

Holdings	Area in hectares		Increase or Decrease	
	1897	1908	Hectares	%
of the State	1,015,903.23	760,529.78	— 255,373.45	— 25.14
» » Departments	441.42	1,275.40	+ 833.98	+ 188.93
» Communes	2,291,156.50	2,417,488.31	+ 126,331.81	+ 5.51
» Schools	67,796.09	69,210.04	+ 1,413.95	+ 2.09
» Churches	13,121.88	14,413.65	+ 1,291.77	+ 9.84
» Monasteries	44,194.56	56,327.80	+ 12,133.24	+ 27.45
» Mosques	3,254.33	4,137.43	+ 883.10	+ 27.14
» the National Bank	23.00	2,433.34	+ 2,410.34	+ 10,479.74
» » Agricultural Bank	187.90	26,552.21	+ 26,364.31	+ 14,031.03
» Various Societies	112.32	4,296.12	+ 4,183.80	+ 3,724.89
» Private Persons	3,977,557.72	4,625,786.90	+ 648,229.18	+ 16.30
Not Cultivated	2,220,801.05	1,652,099.02	— 568,702.03	— 25.61
Total	9,634,550.00	9,634,550.00	—	—

That which first strikes us in this table is the general increase in the area of all the classes of cultivable lands with the single exception of those which belong to the State. Of this increase, the total of which is more than 824,000 hectares, not quite one third is covered by the decrease in the domains of the State. The rest, more than two thirds, 568,702 hectares, has been wrested from nature by the reclamation of land not worked at the time of the first land census.

In the different classes of holdings the increase has varied considerably Let us observe especially the perceptible difference between the figures furnished by the two principal groups : that of private property and that of communal property. The increase in these two groups alone amounts to 774,590 hectares that is 94 % of the total increase for the whole country. But, while the communal property has increased only by 5.51 % on what it was in 1897, private property has gained 16.30 % on its former area. This fact alone is a certain index of a social evolution in conformity with modern principles of individual property.

Finally, let us note the enormous increase of the landed property of the National Bank of Bulgaria, of the Agricultural Bank of Bulgaria,

and of the various "Societies" (10.478 % in the first case, 14.031 % in the second and 3.725 % in the third). The readers of our Bulletin are already acquainted with the first two of these institutions (1) ; they know that the making of grants to private agriculture is the sole object of the Agricultural Bank, and one of the chief objects of the National Bank. We need only add that the greater number of the "Societies", comprised under the name of "Various Societies", all have identical or analogous aims, in order to show the importance of the figures pointed out as indicative of a truly extraordinary development of agricultural credit in Bulgaria, and of a constant and energetic evolution of the most modern methods of home colonisation.

The results of this are clearly shown by a comparison of the total number of landed proprietors in the country at the time of the first census with that at the time of the second census above mentioned. In 1897 it was 806,245, and nine years later (1907) it was above 942,897. In other words, during that short period, the number of landed properties had increased by 136,652, that is 16.95 %, on the number in 1895.

The distribution of this general increase according to the class of proprietor ought to be shown here.

It is as follows :

TABLE VI. — *Changes in Tenure of Land, from* 1897 *to* 1908.

Class of Holding	Number of Holdings		Increase or Decrease	
	1897	1908	Number	%
Belonging to the State . . .	1,060	1,035	— 25	— 2.36
» to Communes . .	3,664	3,639	— 25	— 0.68
» to Departments .	8	12	+ 4	+ 50.00
» to Schools	907	1,281	+ 374	+ 41.23
» to Churches . . .	601	1,100	+ 499	+ 83.03
» to Monasteries . .	251	321	+ 70	+ 27.89
» to Mosques including Vakouf Property . . .	130	392	+ 262	+ 201.54
» to the National Bank	1	149	+ 148	+ 14,800.00
» to the Agricultural Bank	21	1,427	+ 1,406	+ 6,695.24
» to Societies . . .	14	174	+ 160	— 1,142.86
» to Private Persons	799,588	933,367	+ 133,779	+ 16.73
Total . . .	806,245	942,897	+ 136,652	— 16.95

(1) See our Number for June, 1911 pp. 185-200.

As might be expected, the figures of this table correspond more or less with those of the preceding. In this, as in the former, the greater proportion of the increase ascertained during the period in question is in private property, and in that of institutions, the object of which is to encourage its development. Of 136,652 new holdings, formed since 1897, there are 135,493, that is 99.11 % of the whole, which belong either directly to private individuals or to institutions which especially seek to encourage private property, such as the Agricultural Bank and societies of rural credit. And this tendency towards the increase of private property is confirmed by the fact that the only two diminutions in our table concern other than private property, that of the State and that of the Communes.

§ 5. Private landed property in Bulgaria, area, division and readjustmet of farms. Conclusion.

For the most important class of all, that of the purely individual holdings of private persons, we must now compare the figures indicating in percentage the increase in area and in number of such landed properties. In the first case, that is as regards area, the ascertained increase is 16.30 %, in the second it is 16.73 %. In other words, the increase in the number of the holdings is perceptibly superior to that of their average area.

And this brings us to the last of our questions, and the most important as regards the progress of internal colonisation in Bulgaria, viz. the division of the landed property of the Kingdom according to the size of the estates.

The data furnished by the census of landed property in 1897 and by that held in 1908 are the most complete and the most detailed; from them we extract the following figures:

TABLE VII. — *Distribution and Evolution of Private Landed Property in Bulgaria from* 1897 *to* 1908.

Classes of Holdings according to Area	Number of Holdings		Total Area of Holdings in hectares		Percentage of Total			
					Holdings		Décares	
	1897	1908	1897	1908	1897	1908	1897	1908
up to 5 décares . .	166,765	180,304	41,651.45	46,231.74	21	19	1.0	1.0
from 5 to 10 » . .	90,508	113,446	67,299.75	83,748.21	11	12	1.7	1.8
» 10 » 20 » . .	106,373	131,148	156,701.75	191,587.78	13	14	3.9	4.2
» 20 » 30 » . .	75,100	86,500	187,303.50	214,945.04	9	9	4.7	4.6
» 30 » 40 » . .	60,061	68,346	209,742.09	238,506.72	8	8	5.3	5.2
» 40 » 50 » . .	50,222	57,772	225,745.65	259,584.88	6	6	5.7	5.6
» 50 » 75 » . .	92,515	106,598	570,004.14	657,316.21	12	12	14.3	14.2
» 75 » 100 » . .	56,486	67,512	488,323.70	584,501.15	7	7	12.3	12.6
» 100 » 150 » . .	55,503	67,610	672,052.94	818,669.36	7	7	16.9	17.7
» 150 » 200 » . .	22,095	26,718	379,172.66	458,308.85	3	3	9.5	9.9
» 200 » 300 » . .	14,911	17,304	358,664.07	412,393.16	2	2	9.0	8.9
» 300 » 400 » . .	4,338	5,017	148,463.40	171,559.01	1	1	3.7	3.7
» 400 » 500 » . .	1,770	1,933	78,785.99	86,200.84	0.22	0.21	2.0	1.9
» 500 » 1,000 » . .	1,993	2,223	133,886.22	147,892.26	0.25	0.24	3.4	3.2
» 1,000 » 2,000 » . .	606	592	82,600.26	79,744.43	0.08	0.06	2.1	1.7
» 2,000 » 3,000 » . .	155	154	37,779.31	37,543.48	0.02	0.02	1.0	0.8
» 3,000 » 5,000 » . .	100	99	42,736.42	37,291.90	0.01	0.01	1.1	0.8
above 5,000 décares . .	87	91	96,644.42	99,761.88	0.01	0.01	2.4	2.2
	799,588	933,367	3,977,557.72	4,625,786.90	100	100	100	100

That which first strikes us in this table is the remarkably small number of large and very large private landed estates throughout the Kingdom. Even if we limit the term "large landed estate" to those exceeding 100 hectares in extent, the total number will be only 936, scarcely *one per thousand* of the total. And the whole extent of these 936 " large landed estates " that is 254,348 hectares, will only represent 5.5 % of the whole area of private landed property in the country. These figures compared wth those given above as to the general division of the population according to occupation are alone sufficient to assure us that by far the larger proportion of private landed property in Bulgaria is in the hands of the rural agricultural classes.

And if we compare the figures resulting from the land census of 1897 with those of the census of 1908, we shall easily perceive that the evolution is taking place in a manner clearly favourable to a rational development of the agricultural economy of the country.

To facilitate the comparison, let us condense the rather diffuse details of the preceding table, dividing the holdings into five categories only, considering as " a parcel of land" every holding not exceeding two hectares in extent, as "small peasant holdings" those of from 2 to 5 hectares in area, as " medium holdings " those of from 5 to 20 hectares, as " large " those of from 20 to 100 hectares, and as " large private landed estates " those of an area which exceeds the last figure. Taking into consideration only the total area of the holdings in each of these categories, in proportion to that of all the landed property of private owners in the whole country, we obtain the following figures;

	1897	1908
Parcels of Land	6.6 %	7.0 %
Small Peasant Holdings	15.7 »	15.4 »
Medium Peasant Holdings	53.0 »	54.4 »
Large Peasant Holdings	18.1 »	17.7 »
Large Private Landed Estates . .	6.6 »	5.5 »
Total . . .	100.0 %	100.0 %

Given the general conditions, orographic, climatic, economic, agricultural, etc., of the Kingdom, the category of landed properties which with regard to area lends itself best to a rational development of rural economy is that of peasant holdings of medium size, that is of from about 5 to 20 hectares. Now, from the preceding figures, it is clear that already at the date of the first census of landed property, more than half the land of the country came under this head. And the same figures show that during the nine years which have passed between the first and second census this proportion has only increased. This is an excellent index of the satisfactory progress in well-being of the agricultural class properly so called.

Of the four other categories, three show a strongly marked tendency to diminish, viz. that of " large private landed estates ", of which we have

already spoken, and of those too small for the support of their proprietors or too large for the economic efforts which the Bulgarian peasant can make.

As to the category of "parcels of land" or indeed of all small holdings, we may observe that the marked increase, as shown by the figures, is due chiefly to the attention given to roses, one of the most profitable kinds of intensive cultivation. This is another indication of a happy and prosperous evolution of agricultural economy in Bulgaria.

Finally, as regards the general division of landed property, the Kingdom is in a favourable condition, such as to permit a progressive and continuous evolution of rural economy without the necessity of any specially energetic intervention of the State for the encouragement of home colonisation. The most serious fault in the agricultural regime of the country is perhaps the excessive subdivision of private land. In 1897, for instance, the average number of separate parcels belonging to each landholder was ten for the whole Kingdom. Holdings of from one to two hectares were subdivided into five parcels on an average, and for estates of great extent the average number of parcels was 38.

The land census of the year 1908 showed a further and very serious aggravation of these conditions. The average number of isolated parcels belonging to each landholder rose from 21 to 24 in the case of holdings of from 10 to 15 hectares, from 31 to 38 in that of holdings of from 100 to 200 hectares, and from 28 to 46 in that of those exceeding 500 hectares. For the whole Kingdom this average rose from 10 to 11.

This fact has not yet attracted the attention of the Bulgarian legislature, and no special regulations have been passed to encourage a general readjustment of landed property. But it is only fair to add that the law of 1904 regarding the cultivation of pasture land and meadows contains certain provisions manifestly intended to encourage and facilitate agreements between private persons for the purpose. In fact, the law grants special advantages to the purchasers of parcels who succeed in making arrangements with neighbours for rounding of their respective holdings, while leaving each party free to make such compensation to the other as may be considered just.

Partly through the influence of this law and partly because of the continual difficulties caused by the excessive subdivision of land, there is now a tendency daily becoming more general among the more intelligent cultivators in Bulgaria towards a friendly readjustment of their respective holdings. The Government will not long be able to ignore this spontaneous movement, and it is probable that the day is not far off when the question will be regulated by a definite legislative measure. The greatest obstacle to the development of rural economiy in Bulgaria will thus be eliminated.

BRITISH INDIA.

CANAL COLONIES IN THE PANJAB.

By Sir James Douie, K. C. S. I.

The Panjab is in the main a country of small peasant proprietors. This is especially true of the eastern and central districts in which a normal family holding consists of from five to ten acres. Two grave economic evils beset agricultural ownership in such small parcels, namely, the reduction of the size of holdings below an area sufficient to support a family in decent comfort, and the transfer of land to money lenders. The latter is one of the causes which produce the former. But a holding which is quite unburdened may be subject to *morcellement* by the operation of the rule of inheritance under which sons on their father's death each take an equal share of the family property.

A generation ago pressure on the soil was a matter of apprehension. The census of 1881 had directed attention to it, and no one could then foresee how completely the position would be changed by the ravages of plague which invaded the province in 1897. The fact that there were vast areas of uncultivated State land to be commanded by the canal projects for the irrigation of the tracts between the Ravi and the Chenab, and the Chenab and the Jhelam, seemed an admirable means of combating a growing social and political danger by schemes of colonization. The second evil has been met by an Act, XIII of 1900, putting severe restrictions on transfers to non-agriculturists, and since 1904 by the organization of village banks. A perception of the dangers to small holders of unrestricted transferable ownership determined the rights which the Government was at first prepared to concede to settlers in the canal colonies.

§ 1. Agricultural conditions in the Panjab.

The broad plain of the Panjab, which supports a population of nearly 20 million souls, covers roughly an area of 90,000 square miles. It may be divided into four agricultural zones.

(*A*) The South East (5 districts);
(*B*) The North West (4 districts);
(*C*) The Submontane and Central (9 districts);
(*D*) The South West (9 districts).

The third is the richest and most densely peopled part of the province. Though it occupies but one fifth of the area and is the tract which has paid the heaviest toll to the plague demon, it had still in 1911 much more than one third of the total population. It was here that thirty years ago pressure on the soil seemed likely to become formidable.

The thinly populated South Western Zone, lying south of the Sult Range and west of the Sutlej, with the same number of districts occupies half of the total area. It is in this zone that the great developments of canal irrigation have taken place in the past thirty years, and that the schemes of colonization have been carried out. The South Western Panjab is a region which the monsoon currents only reach in a very feeble fashion. It is a part of the great desert which extends from the Western Sahara to Manchuria. But for its rivers fed by melting Himalayan snows it must have been destitute of crops or of any settled population. Over the greater part of it the rainfall is less than 15 inches in the year, in the extreme south-west it falls below 5 inches. The *Bar* tracts, as the Uplands between the Ravi and Chenab, and the Chenab and Jhelam are called (1), consist for the most part of firm loam, not so rich as some of the submontane soils, because containing little humus, but still, when water is obtainable, of great natural fertility. It is these Bars which the engineers have made fit to support in comfort large and flourishing communities of peasant farmers.

When the British Government annexed the South West Panjab in 1849 and for many years after cultivation was practically confined to the river valleys, where the people had supplemented the effects of flooding and percolation by wells and small inundation canals. These rough works had no masonry heads. They ran for a few months in the monsoon season and carried the river water into parts of the valley which floods failed to reach. They could not penetrate into the Bar Uplands, and the water level there was so deep that well cultivation of any value could not exist. A few scattered wells were intended mainly for the watering of the cattle of nomad grazers. Dry cultivation was only possible in natural hollows. Here and there, especially in the north, an isolated village was met with, but the Bars were the home of a roving population of graziers and camel owners having their head quarter in huts clustered round some old well or natural depression. The greater part of these vast wastes were State property.

The native Governments to which the English served themselves heirs claimed large powers of disposing of the waste, whether included in the somewhat uncertain boundaries of villages, or consisting, as in the South Western Panjab, of vast tracts covered with scanty scrub. When the Western Panjab was annexed Lord Dalhousie ordered waste in which there was practically no settled population to be marked off as State property when village boundaries were determined, and directed attention to the adoption of measures for planting ou it an agricultural population. The tendency of the British Government has ieen to withdraw from all inter-

(1) See map.

ference where a community could assert any reasonable proprietary claim. Such villages as existed in the Bar Uplands cannot be said to have had any boundaries. The Governments laid them down so as to include in each a very ample grazing area. It was hoped that the enforcement of law and order would lead to the conversion of much of this into arable land. But the physical conditions forbade it till canal irrigation became available, and the great Bar villages continued to be peopled by tribesmen whose main occupations were cattle rearing and cattle lifting. Outside village boundaries the waste was recorded as the property of the Government.

§ 2. Irrigation and colonization.

From 1850 to 1885 leases of State land on favourable terms were offered to persons who were prepared to sink wells. The results were small, and colonization only became a serious factor in agricultural development when the policy of developing canal irrigation in the south west of the province was undertaken.

The three great canals in existence in 1885, the Western Jamna, the Upper Bari Doab, and the Sirhind, served tracts where rain cultivation is possible, and the function of wells and canals is to enable farmers to grow a better class of crops and obtain a heavier and more certain yield. Such a country was occupied by village lands and there was no opportunity for State colonization. The Upper Bari Doab Canal is a partial exception, and some colonization has been carried out on lands commanded by extensions of that work in the Lahore district. The two tables below show the canals on which colonization has been or will be carried out.

Table I. — *Colonization carried out.*

Name of Canal	Kind of Canal	Date	Commanded area		State land			
			Total	Culturable	Total	Allotable area	Culturable and irrigable	Allotted area
			acres	acres	acres	acres	acres	acres
Sidhnai	Inundation	1886-1889	381,000	344,000	232,000	—	—	177,000
Sohag-Para	Inundation	1888-1890	—	—	86,000	—	—	70,000
Lower Chenab	Perennial	1890-1900	3,360,000	2,708,000	2,476,000	1,948,000	1,825,000	1,841,000
Upper Bari Doab . . .	Perennial	1894-1904	—	—	91,000	85,000	79,000	81,000
Lower Jhelam	Perennial	1897-1904	1,368,000	1,162,000	576,000	500,000	476,000	402,000
Total . . .	—	—	—	—	3,461,000	—	—	2,572,000

TABLE II. — *Colonization in hand or proposed.*

Canal	Acres
Lower Bari Doab	1,192,000
Upper Chenab	78,000
Upper Jhelam	48,000
Total . . .	1,318,000

A perennial canal is one in which, by the construction of a masonry weir at the head, a supply of water is maintained throughout the whole year. The beds of the Sohag-Para and Sidhnai are dry for a large part of the winter. These two works, though insignificant in themselves, are important in connection with the story of colonization in the Panjab. It was on them that the first experiments were made, and the principles and procedure then laid down proved in the main sound when applied on a vastly larger scale.

§ 3. THE FIVE GREAT PERENNIAL CANALS.

It will be well to give in the briefest space a few facts about the five great perennial colonization canals, the excavation of which has been carried out in the past 25 years.

The first to be taken in hand was the Lower Chenab Canal. The commanded area is 3 ⅓ millions of acres, three fourths of which was State land. It irrigates 2 ¼ millions of acres yearly, and without the canal practically the whole of that large area would be lying waste. The supply is secured by a weir built across the Chenab River at Khanki and completed in 1892. The capital expenditure has been a little over £2,000,000, and in recent years the interest earned has averaged 28 per cent.

The Lower Jhelam is also a great canal, though small in comparison. More than half of the commanded area is included in the boundaries of old estates, and the area available and fit for colonization did not exceed 450,000 acres. Irrigation was started in 1911. The average area watered is about ¾ of a million acres, and the interest earned exceeds 10 per cent.

The other three canals form branches of a bold scheme known as the Triple Project. The Chenab river has been tapped by means of a great weir at Merala in the Sialkot district, and the water will be used to irrigate

(*a*) a large area west of the Rari in the Gujranwala district and

(*b*) a much larger area east of the Ravi in Montgomery and Multan.

The second object is by far the more important. To effect it the canal is carried over the Ravi by an aqueduct. The main channel and its distributaries in Gujranwala are known as the Upper Chenab Canal. West of the Ravi it becomes the Lower Bari Doab Canal. The withdrawal at Merala

of a large part of the Chenab water must affect the supply at the head of the Lower Chenab Canal further down stream at Khanki. To remedy this the bold idea was conceived of throwing the surplus water of the Jhelam into the Chenab above Khanki. This is the *raison d'être* of the Upper Jhelam Canal, though it will also irrigate a considerable area.

Nothing more need be said about it or the Upper Chenab Canal. The areas they command are mostly already parcelled out in village estates and from the point of view of colonization they are unimportant.

The case of the Lower Bari Doab Canal is wholly different. The area of State land available for allotment which it commands is estimated at 1,192,000 acres. The area which it will water yearly will be about 900,000 acres. These five canals will have between them a wheat area exceeding that of England and Wales.

§ 4. The principles of canal colonization.

When colonization was first mooted the Panjab was fortunate in the officers responsible for its revenue and agricultural administration.

Mr. (now Sir James) Lyall was at the head of that department and his principal subordinate was Edward Wace. The former had a very intimate knowledge of the peasant farmer and his ideas and the power of grasping the broad features of any successful scheme of land settlement, the latter was a master of detail with a special acquaintance with land surveys and land records.

In 1882 the intention was to dig four inundation canals, one from the Ravi, one from the Sutlej, and two from the Chenab. The small Sidhnai Canal was dug from the Ravi in Multan, and the Lower Sohag-Para from the Sutlej in Montgomery. The Chenab scheme was superseded by a project for a great perennial canal.

Writing in 1883 of the Chenab Canal Project in its original form Mr. Lyall said:

"An attempt should be made to establish estates owned by bodies of peasant proprietors. In the Eastern part of the Panjab and in the sub-Himalayan tracts there not infrequently are found villages peopled by agriculturists of the best type, who have increased in numbers until the lands which they own are insufficient for their support; often the owners of such estates have been accustomed to cultivate as tenants in neighbouring villages. But, owing to the owners of those villages now requiring the lands for themselves (they) are gradually being ejected... It would improve the general condition... if some of the proprietors would emigrate to other countries... A number of men of this class might be induced to settle in the Gujranwala Bar by being allowed to migrate in bodies... formed by themselves, and by the promise on certain conditions of grants of land...

"The experiment might be tried in the following way... Go to places in the thickly populated districts, where groups of adjacent villages are

owned by men of the same clan, and... search among them for men of some amount of enterprise, capital, and influence, and ask such men... to lead down bodies of men of their own clan to the Government lands irrigated by the canal. Well selected blocks would be made over to the bodies so migrating. The leader of the colony would be given an interest in its success not only by receiving a share in the proprietorship but also by his being made headman of the new estate ".

This passage contains the kernel of all the great schemes of colonization.

About the same time Edward Wace had introduced a new method of Cadastral survey by which each estate was divided into a number of squares, on to which were plotted the fields of all shapes and sizes of which an ordinary Panjab village consists. He saw that such squares would form excellent units for the allotment of holdings in new Colonies. If the evils which existed in congested villages from which settlers were drawn were not speedily to be reproduced in new estates, clearly holdings must be of substantial size. Further each man's allotment should consist of a single block of regular shape, and so well adapted for irrigation. A square of 27.8 acres was not too large for a holding; in fact in the earliest schemes the individual allotments consisted of several squares.

In the central districts the people have grouped themselves in well organized village communities. A village is often owned by people of one clan. Their houses and those of their dependents occupy a central site. The cultivated lands are held in severalty. There is always some common property, and, till the advent of orderly rule led to a rapid extension of tillage, there was often a large common waste. Big owners are rare, and, though a good deal of land is in the hands of tenants, some of whom enjoy a permanent tenure known as "occupancy right", the normal holding is mostly tilled by the peasant owner and his family with the help of some of the village menials. In the S. W. Panjab matters are different. Tillage depended on artificial means of irrigation, and the expenditure of capital in providing it became the best of titles. Hence the well holding, a small oasis in surrounding waste, became the natural unit of property. The village site was non-existent or unimportant. The cultivator found it more convenient to build his house and cattle pens beside his well. Estates were often mere groups of scattered wells owned by persons of different tribes, the only common tie being that of vicinage. Another difference is the existence of any landlord, big and little, cultivating through tenants.

The type of landholding which found favour in the projects for Canal Colonies was that of the Central Panjab. In 1886 the Lieutenant Governor, Sir Charles Aitchison, pronounced emphatically in favour of importing peasants who would till their own lands. At the same time local cultivators were to be given the chance of acquiring land.

To complete the subject of survey aud demarcation, the 27.8 acre square was used on the Lower Chenab and Lower Jhelam Canals, but in the Triple Project a more convenient rectangle measuring exactly 25 acres was adopted. In 1894 a valuable reform was introduced by which each

large square was subdivided into 25 square fields. This substitution of survey fields of regular shape with permanen boundaries for irregular-fields with possibly shifting boundaries was admirably adapted for irrigated tillage, immensely simplified land records, and made any future subdivision due to inheritance etc. extremely simple,

§ 5. The first experiment in colonization.

The first experiments in colonization were made on the two inundation canals, the Sidhnai and the Lower Sohag-Para. The initial step was to prepare contour maps of commanded lands, by the help of which the areas which could conveniently be served by separate water courses were defined. Village areas were made to coincide with water course areas, each being given its own channel. Each village was broken up into squares for allotment purposes.

Obviously holdings should be larger on inundation canals of intermittent flow, where canal water may have to be supplemented by well water than on perennial canals. But the adoption of 4 squares as the unit of allotment on the two small canals gave holdings of 90 and 111 acres respectively, and these were larger than were really required.

Under the leases given the grantees of land bound themselves to bring two-thirds of the areas allotted into cultivation in five years, after which they were entitled to acquire ownership with power of transfer by paying the small sum of four shilling an acre. It first seemed doubtful whether settlers from the Central Panjab would come to the inhospitable tract commanded by the Sidhnai with only the promise of water for part of the year and the certainty of being surrounded by a hostile local population. But in the autumn of 1886 some Tats from Amritsar came to stay, and soon the difficulty vanished. The natives of the district were not forgotten in the distribution. Only men of the farming classes and of decent character were brought from outside. As far as possible villages were allotted to bodies of men of one tribe, each coming under its own leader.

The immigration into the area commanded by the Lower Sohag and Para was on a much smaller scale. Most of the immigrants on both canals came from Lahore and Amritsar.

§ 6. The lower chenab canal colonization scheme.

The work on these small canals was planned by Edward Wace. But he died before the larger schemes emerged. By 1890 the conversion of the Chenab Canal project into one for perennial irrigation was approved. The great canal commanded the Sandal Bar, lying between the Chenab and Jhelam and containing in addition to a few old village estates 2 ½ million acres of State land. The Colonization Scheme framed in 1890 by Denzil Ibbetson was marked by a union of large ideas and grasp of detail characteristic of the man. The aim of the policy adopted was:

(1) to relieve the pressure upon the land in congested districts;

(2) to colonize the new area with well-to-do small farmers, cultivating their own holdings with the aid of their families and of the usual menials.

Sir James Lyall, who was now Lieutenant Governor, remarked that: — "It seemed essential to preserve the tradition of the Panjab as a country of peasant farmers. No other general frame of society is at present either possible or desirable. The bulk of the available lands have therefore been appropriated to *peasant* settlers... *Yeoman* grants are intended to attract... the men who, without attaining to the ranks of the richer gentry, are still well above the ordinary level of the peasant landowner. Naturally this class comprises some of the most intelligent and enterprising men in the agricultural community... Lastly an area has been reserved for *capitalists*... Capitalist farming is not a system suitable to the Panjab. But a moderate infusion of the capitalist element is not without its advantages. It supplies natural leaders for the new society. It gives opportunity to Government to reward its well deserving servants, and to encourage the more enterprising of the provincial gentry. It attracts strong men who are able to command the services of considerable bodies of tenants."

Thus three kinds of grants were recognized, but probably less than one tenth of the available land went to yeomen or capitalists. Small areas were sold outright.

The peasant grant was usually of one square. Yeomen grants were of four or five squares (111 to 139 acres). Capitalist grants were of 6 to 20 squares (166 to 556 acres). In special cases the Government sanctioned larger grants. For peasants there was no fine on entry. But capitalists paid from 13 shillings to 27 shillings per acre, and yeomen 8 shillings, the latter sum being realized by instalments. Peasants were bound to reside on their grants and in later settlements the same obligation was imposed on yeomen.

If the conditions of the lease were fulfilled a yeoman and a capitalist could purchase on easy terms after five years, while a peasant could only acquire a permanent non-transferable right of occupancy. For this right no charge was made. The reason for only conceding a permanent right of occupancy was a desire to protect these small farmers from the pitfalls which beset the path of peasant owners. The conviction had forced itself on the minds of those who knew the people best that rural indebtedness and land transfer had become very serious questions. Ten years were still to elapse before, by the passing of the Panjab Alienation of Land Act, XIII of 1900, transfers to non-agriculturists became subject to severe legal restrictions and the risk of ownership proving a curse was removed. A few years ago there were political reasons for a reconsideration of the position. The disappearance from the rural economy of the province of ownership with unrestricted right of transfer had removed the objections felt in 1890. Finally it was decided to allow the peasant settlers to buy land worth anything from £8 to £15 an acre by the almost

nominal payment of 16s. 8d. an acre. It must be remembered, however, that many of them had already become entitled to a permanent tenancy which makes a considerable difference.

The enormous task of colonizing the Sándal Bar could not be carried out by the ordinary district staff. A special Colonization Officer was appointed, and the subordinate staff which he controlled became fairly large. The same policy was followed later on the Lower Jhelam and Lower Bari Doab Canals. The Colonies have been admirable training ground for the ablest of the younger Panjab officers. It was necessary to give them a pretty free hand, the work was novel and important, and involved great responsibilities. While he was controlled from outside, the Colony Officer inside his Colony had to be a benevolent autocrat. Autocracy is tolerable when the autocrat is content to be also the servant of his people, and in this respect the Panjab officers did not show themselves lacking. The best known of them were Popham Young in the Lower Chenab Colony and Malcolm Hailey on the Lower Jhelam Canal.

The survey required before settlers could be introduced has already been noticed. Another necessary preliminary to successful colonization is the provision of railway communication. A good deal of suffering would have been saved if this had been arranged for beforehand in the case of the Lower Chenab Canal. The tract it serves is now traversed by several railway lines, which convey the enormous surplus produce to the sea board. But while colonization began in 1892, the construction of the first railway was only undertaken in 1895. The lesson had been learned when the colonization to the Lower Jhelam Canal was undertaken, and the tract to be served by the Lower Bari Doab Canal, where colonization is now in progress, lies directly on the route from Lahore to Karachi and has long been traversed by a railway.

Experience showed that allotment ought to have been preceded by a soil survey sufficient to discriminate between good land, mediocre land probably fit for distribution, and land which was not worth tillage. While the bulk of the land in the Sandal Bar was good, there was poor soil on its fringes, which might better have been left unallotted. That settlers were prepared to accept land was no proof that it could be tilled with profit. Land hunger was so keen that a man would take a square anywhere in order to get a footing and work up a case for an exchange later on. In doubtful cases the prudent course was to give land out experimentally for temporary cultivation. In the Lower Jhelam Canal Colony a soil survey of squares was made before allotment. But there too water courses were carried into land which was not worth irrigating, and the estimate of the available area had to be revised.

The selection of peasant colonists was entrusted to Deputy Commissioners (1) and Settlement Officers (2), the locating of the colonists on the

(1) The Deputy Commissioner is the official head of a district.

(2) The land revenue of each district is reassessed at intervals of 20 or 30 years. The officials who carry out the delicate duty are Settlement Officers.

land and the charge of their future welfare was the task of the Colonization Officer.

The choice of colonists was limited to five tribes noted for their agricultural efficiency. They were to be drawn almost entirely from seven districts which were considered to be congested, Ambala, Hoshyarpur, Gurdaspur, Sialkot, Amritsar, Jalandhar and Ludhiana. These form a solid block extending from the low hills into the central plain. Most of the colonists belonged to the two great tribes of Jats and Arains. There were some undoubted advantages in restricting the choice to the most industrious tribes, but it seems doubtful whether in fact it would not have been wiser to draw other fish into the net.

On the whole there was not much to complain of as regards the selections made. Amritsar furnished many colonists, and here the work was in the hands of a very able Settlement Officer, J. A. Grant. He adopted an admirable method, which may be described in his own words:

"When I had fixed on a village as one from which I would be likely to obtain a good number of settlers... an order was sent to the *patwari* (1) to be in attendance on a day named to supply verbally the required details as to land owned. I used to find it convenient to halt a day at the village, and the evening before to call up the headmen of the village to explain to them the terms on which the land would be given. They were at the same time warned that any deceit or personation would be punished by my refusing to give any land to that village... Then they would be sent to talk it over until the next day, when all the would-be settlers came up in a body. These I would first separate into *pattis* (or wards) and make the men of each *patti* sit in a long row, the fathers next their sons, and brothers next one another.

"Walking down this row I could easily see the men who were physically unsuitable. Many old dotards and mere boys would be broght up in the hope of thus securing an extra square for the family... His colour would often betray the habitual opium-eater, and his general appearance (more especially his hands) the *shaukin* (2). A show of hands is a simple method of discovering the real workers... Next, if any one family was represented by too many members, one or two of these would be weeded out amid loud protests... Then with the *patwari* and a *mumshi* (3) at my elbow, and attended by the headmen of the *patti*, I would go down the line and take down the name and the area of each man's share, his age, parentage and *got* (4). This process would expose those who already had sufficient holdings or who had mortgaged a considerable share of their land, and these, too, were weeded out. The residue would be put down for a square each, with perhaps an extra square for the man who, by common consent, was named the leading man of the *patti* — the bell- wether whose lead all would follow. Thus

(1) Village accountant.
(2) Dandy.
(3) Native clerk.
(4) Subdivision of a tribe.

the original crowd of applicants would be reduced to a band of men all connected by common descent, all physically fit to take up a life in a new country under considerable difficulties, all hard up for land, but with sufficient resources to start them. All enquiries would be made publicly at the time of selection, and verbally ".

As on the Sidhnai, so on the Lower Chenab Canal the first steps were difficult. There was no railway, the nomad cattle thieves were hostile, prolonged drought had made the Bar more than usually desolate. Many colonists returned to their houses in despair. Those who remained and survived a severe outbreak of cholera reaped an excellent harvest from the virgin soil. The period of trial was a short one, and soon the demand for land among the peasants of the central and submontane districts became very keen, and has continued so ever since.

Probably the Lower Chenab Canal Colonization Officers between 1892 and 1906 had to deal with from 40 to 50 thousand selected immigrant peasants besides a host of clamorous applicants who besieged their gates without credentials. All the settlers from one Amritsar or Gurdaspur village were put into a single colony village.

The most suitable size for a new Estate was about 1,800 acres: 20 per cent. of the area was reserved as common pasture, and further reservations had to be made for the village site, etc. An ordinary village therefore contained from 40 to 50 allotment squares. If this was more than was required for one group of immigrants, another group, which could fit in well with the first, had to be put in the same estate. It then consisted of two wards, and usually each ward had its separate headman.

The Colonization Officer was by no means done with the colonist when he had sent him to the village with the slip of paper which indicated the square of which he was to be given possession. The Oriental believes that it is the duty of his ruler to be his " father and mother ." The Colonization Officer had to listen to every complaint reasonable or unreasonable. If the irrigation arrangements were working badly he had to approach the Canal Officer. If a settler had fair ground for dissatisfaction with the square first allotted, he had to try to arrange for an exchange. He selected the land for the village site and insisted on its being laid out after a regular pattern with broad roads, commodious house sites, and fixed places outside for the deposit of manure.

His fatherly discipline included the enforcement of sanitary practices, the sinking of a drinking well and the planting of trees. Those who are acquainted with cramped and dirty sites in old Panjab villages will sympathize with his efforts. But it is quite likely that in the desire to make the colony a model settlement regulation was pushed too far. The later policy has been rather to pursue the same ends by less direct means, e. g. by making the insanitary state of a village a reason for deferring the sale of proprietary right.

The drafting of industrious peasants intot he colony has from the economic point of view been a great success. A desert has been converted into one of the most prosperous of Panjab districts.

The arrangements for the location in separate villages of the nomads of the Bar were not ungenerous. They are a manly race and have proved so satisfactory both as cultivators and as citizens that it is matter for regret that even more was not done for them. Their villages are models of neatness and cleanliness.

Special grants to camel owners subject to a condition binding the grantee to maintain camels for military transport service were made later. The difficulty of working them successfully has been great, and economically they have been far less satisfactory than the ordinary grants.

A perception of the weakness of a society without natural leaders was probably behind Sir James Lyall's plea for a considerable admixture of yeoman and capitalist holdings. But his intentions were never really carried out. The grants were in fact used to a considerable extent as additional pensions to deserving native officials with no regard to their fitness or unfitness for country life. The pensioned hospital assistant or district judge was usually a townsman, and his sole interest in the colony was the collection of his rents. Even when genuine agriculturists were selected, they were naturally men who were doing useful work in their own districts. They had no wish to leave and their Deputy Commissioner preferred to keep them. Hence a clamour for exemptions from residence and wholesale absenteeism with or without leave. It is impossible to deny that from the standpoint of economics the peasant grantees proved far superior. But one cannot look without apprehension on a social chessboard on which all the pieces are pawns, and it is to be hoped that in time the more thrifty and energetic will become knights or castles.

The progress of allotment is shown in the following statement:

TABLE III. — *Lower Chenab Canal Colonization Scheme: Progress of Allotment.*

Period	Rakh Branch. Acres	Jhang Branch. Acres	Gagera Branch. Acres	Total. Acres
1892–95	421,000	—	—	421,000
1896–98	431,000	390,000	—	821,000
1899–1904	451,000	569,000	789,000	1,809,000
1905–1912	456,000	575,000	808,000	1,839,000

The work was practically completed in twelve years. In 1911-12 the colonists sowed 1,912,000 acres of crops. It is well that nearly 2 million acres should have been brought under tillage, but it is certainly regrettable that in a tract where manure is not largely used and which is copiously irrigated there should be no fallows. The best of land will not stand continuous cropping under these conditions, and canal engineers have

had painful experience elsewhere of the evil of water logging. It was intended that only three fourths of each holding should be irrigated every year. But in practice we have not yet succeeded in enforcing that wise restriction.

Nearly four fifths of the colonized area is in what has been constituted the Lyallpur district. It may be doubted whether in 1891 its population exceeded, 1,000 or 2,000 souls. Twenty years later the number was 857,711. Two railways passing respectively through the district unite in its south western corner with a third, which serves the Lower Jhelam Colony. They are the means of carrying an enormous export of wheat and oil-seeds to Karachi. Roads have been constructed, avenues of trees planted, and the district is one sheet of cultivation. The capital is at Lyallpur, which in 1911 had a population of 19,598 souls. In addition market towns have been established at other points on the railways. The sites were located on Government land. There was careful planning, demarcation of roads and of sites for shops, dwelling places and factories. The sites were sold and the proceeds devoted to the expenditure required to lay out the town on sanitary lines. The administration of Lyallpur was some years ago assimilated to that of an ordinary district.

§ 7. The lower jhelam canal colonization scheme.

The tract irrigated by the Lower Jhelam Canal contains a large area of excellent land. The colonization work is practically finished. Its progress is shown below.

Table IV. — *Lower Jhelam Canal Colonization Scheme: Progress of allotment.*

Period	Acres allotted
1902-04	148,000
1905-07	348,000
1908-10	388,000
1911-13	403,000

The land is fully cultivated. In 1912-13 386,798 acres were sown.

The peculiarity of this colony lies in the fact that more than half of the available land has been allotted on horse-breeding conditions. In India military security must over-ride purely economic considerations. In parts of the Panjab horse-breeding is a favourite pursuit, and Government has done much to improve the country bred horse by importing stallions. Native cavalry has been able to obtain mounts in the country, but the horsing of the heavier English cavalry has always been costly, as remounts from Australia had to be purchased. It was decided to make a big experi-

ment as to the possibility of breeding locally horses good enough for heavy cavalry. The settler would be required to keep a brood mare passed as fit for the purpose by an Army Remount officer. Government stallions would be kept at convenient centres, the young stock, when good enough, would be bought from the colonists at 10 months or under and drafted into a remount depôt, to be reared there till they were fit for service. The Mona Remount Depôt covers an area of nearly 10 square miles, and a similar area has been reserved for a mule run near Sargodha, the capital of the Colony. Native Cavalry regiments have been given allotments for stud farms and horse runs both in the Lower Jhelam and Lower Chenab Colonies.

The Colonization Scheme comprised:

(*a*) Horse- breeding Peasant Grants. As the grantee had to maintain a mare the size was 2 squares or 56 acres.

(*b*) Horse- breeding *Safedposh* (1) grants for men of higher rank, who would keep more than one mare. 1 ½ square per mare was allotted.

(*c*) Studfarms of the same class as (*b*) but of larger size.

(*d*) Peasant grants without horse- breeding conditions.

(*e*) Civil grants without horse-breeding conditions, corresponding to yeoman and capitalist grants on the Lower Chenab Canal.

In addition there were allotments for *Janglis* (2), for tree planting, for village head-men, and for menials. The last class consisting of sweepers, leather workers, blacksmiths, carpenters, etc., play a very important part in the rural economy of the Panjab.

In the Panjab Colonies Report for 1912-13 the distribution of the land is given as follows:

TABLE V. — *Lower Jhelam Canal Colonization Scheme: Distribution of the Land.*

Nature of Grant	Acres
Peasant horse-breeding	194,702
Safedposh horse-breeding	22,279
Studfarms	6,754
Infantry grantees	39,283
Civil grantees	23,250
Janglis	59,816
Village menials	10,869
» headmen	7,253
Tree planting	3,505
Army Remount Depôts	20,068
Regimental Stud Farms	8,436
Proprietary	6,540

(1) "Safed posh" (White robed) = gentleman.

(2) "Janglis" = the original inhabitants of the Bar.

Here only 10 per cent. of the village area was reserved for grazing. A large common is not wanted where irrigation secures people against scarcity of fodder.

The peasant paid no entrance fee. He was bound to reside and could not alienate. If he brought half the area of his grant under tillage he was entitled after five years to permanent tenant right free of charge if he was a horse- breeder, otherwise on payment of 2s. 8d. an acre. The horse- breeding tenant had no reason to grumble at his obligation to sell young stock to Government, for the average price fixed was very liberal. It has been necessary in the case of these service grants to provide for devolution by the rule of primogeniture.

The *safedposh* grants were subject to much the same stipulations. An entrance fee was charged. Residence might be excused. Primogeniture was applied to all the service grants and to all the ordinary grants exceeding 4 squares.

On the whole the peasants have proved good horse-breeders, but the larger grants have often been failures. A fair supply of good remounts has been obtained, and the horses which are not good enough for British cavalry are available for native regiments, which can also buy direct from the colonists. The number of brood mares in the Colony is probably about 3,500. The working of the scheme is shown in the annexed table:

TABLE VI. — *Lower Jhelam Canal Colonization Scheme: Results of the Horse-Breeding Grants.*

Year	Foals born	Percentage of successful coverings	Purchases		
			British Cavalry	Native Cavalry	Total
1904–05	563	37.8	128	6	134
1907–08	1,756	55.5	579	148	727
1909–10	1,668	42.5	489	145	634
1910–11	1,836	47.4	369	103	472
1911–12	1,870	47.7	402	101	503
1912–13	1,646	47.5	374	122	496

A few years ago there were circumstances which led the people to think that Government would not insist strictly on the fulfilment of the conditions, and this appears to have given the scheme a set-back, which it may be hoped will be temporary. Service conditions have hampered the agricultural development of the Lower Jhelam Canal Colony. The number of colonists has been limited by the necessity of giving the horse-breeder two squares instead of one. Primogeniture is foreign to the ideas of the Panjab peasant. A man's sons will not unite whole-heartedly in

developing a grant if the eldest son is finally to reap the fruit of their labours

At first nature seemed to conspire against this Colony. There were virulent outbreaks of plague in 1904 and 1907, and in 1905 the spring crops were injured by frosts and the cotton crop destroyed by boll-worm. But neither the handicap of service conditions nor natural calamities have prevented the success of the settlement, which has converted 400,000 acres of waste into a well cultivated plain and provided a comfortable livelihood for thousands of peasants. These people have been largely drawn from North Western districts, and as a rule profess the faith of Islam. The proportion of land included in old proprietary estates is much larger on the Lower Chenab Canal. The old landowners are Muhammadans, and it is just as well that their new neighbours should be their co-religionists. Service conditions make it difficult to allow the tenants to acquire ownership.

§ 8. The lower bari doab canal colonization scheme.

When the Lower Bari Doab Canal Colonization Scheme was drawn up there was much past experience to draw upon. Clearly the larger grants had in no way served the purpose for which they were created, and service grants, however useful to the Army, were economically inferior to peasant grants. The special reasons which on the Lower Chenab Canal led Government to sell the proprietary right at a small fraction of its real value did not apply. In view of the eager competition for land and the evidence that had accumulated as to its value it was urged that, before finally parting with public property, the State was bound to demand a fair price. The days were past when to settle in a new colony involved any special hardship. Yeoman and capitalist grants were given up, and land grants to meritorious native officials were condemned. But 75,000 acres were reserved for grants of 125, 250, and 375 acres to members of the hereditary landed gentry. No condition of residence was imposed, and the recipients will generally fulfil the rôle of absentee landlords. Even so those who know the Panjab best will approve. The grantees, if they seek to acquire ownership, will get the same terms as ordinary peasant settlers. But to get land at all in a colony, is now looked on as a valuable privilege. The capitalist or retired public servant will have the opportunity of bidding for land at auctions, as it is proposed to sell in this way an area of 125,000 acres.

An attempt has been made to retain the military advantages of service grants while avoiding their economic defects. An ordinary allotment will consist of one rectangle of 25 acres. If the grantee fulfils the conditions he will be given permanent tenant right after five years. He can convert this five years later into ownership by paying the market value as deduced from auction sales less a percentage which had not been determined when

the scheme was sanctioned in February 1914. The purchase money may be paid in instalments extending over 30 years. Till it is paid the settler remains a tenant paying a rent of 1s. 4d. an acre in addition to charges for water rates, land revenue, and cesses which owners pay. These holdings descend on the grantee's death to his sons in equal shares.

Most of the new estates will also contain a certain proportion of 7,000 "service" rectangles with a total area of 175,000 acres. 5,000 will be held on condition of maintaining a brood mare for horse-breeding and 2,000 on a like condition for mule breeding. The total area of the estates containing service rectangles will be 680,000 acres. No one will be allotted a service rectangle who has not already got a rectangle on ordinary terms. The settlers most likely to be efficient horse- breeders will receive a service rectangle in addition. The competition for these extra rectangles will be keen. Government will not part with ownership. They will be given on lease, but probably for an indefinite term, and the lessee who fulfils the conditions will run no risk of ejectment. It will be necessary on the death of the lessee to admit only one of his heirs as successor. But the existence of the family rectangle gives other sons a permanent stake in the colony.

Of this area of 680,000 acres there will be put at the disposal of the Commander- in- Chief 103,000 acres for deserving native soldiers. A similar plan was followed in the Lower Jhelam Colony, the selection of military colonists by the civil authorities, as was the rule in the Lower Chenab Colony, having proved a troublesome business. Settlers for the rest of the area will be obtained locally from the two districts, Montgomery and Multan, served by the canal, and from other western and west-central districts. But in addition, villages with an area of 80,000 acres will be reserved for peasant settlers of the best agricultural tribes from the crowded districts of Amritsar, Gurdasphur, Hoshyarpur, and Jalandhar. These men will not be horse-breeders, but it is hoped that their farming will be a pattern to the less expert peasantry from the western districts. The full proposals are shown below.

TABLE VII. — *Lower Bari Doab Canal Colonization Scheme: Distribution of the Land.*

Object	Acres
(*a*) Sale by Auction	125,000
(*b*) Hereditary Landed Gentry	75,000
(*c*) Peasants in villages containing horse and mule-breeding rectangles (1) Service	125,000
(2) Balance	555,000
(*d*) Peasants from congested districts	80,000
(*e*) Depressed classes	30,000
(*f*) Compensatory grants and grants to men who have lost land by river action	40,000
(*g*) Regimental Horse farms, Agricultural and Private Breeding Farms, etc	100,000
(*h*) Forests	40,000
(*i*) Reward Grants and Reserve	22,000
Total	1,192,000

§ 9. THE VALUE OF COLONY LAND.

Rough estimates may be given of:
(*a*) the value of Colony land, and
(*b*) the yearly income which the State derives from it.
The result of auction sales is shown below.

TABLE VIII. — *Auction Sales of Colony Land.*

Colony	Year	Acres	Average Price £. s. d.
Lower Chenab	1892	8,793	2 17 0
Upper Bari Doab	1896	10,912	3 8 0
Lower Chenab	1899	5,107	8 19 0
Lower Chenab	1900	9,913	7 7 0
Lower Jhelam	1902	4,783	10 4 0
Upper Bari Doab	1905	1,132	17 12 0

In August 1913 land was sold on the new Upper Chenab Canal at an average price of £ 15 2s. 8d. an acre. Putting it moderately, agricultural

land in a colony in its unreclaimed state is now worth £10 to £15 an acre. The following figures illustrate the rapid rise of the renting value of land on the Lower Chenab Canal :

TABLE IX. — *Rental Value of Land on the Lower Chenab Canal.*

Year	Jhang Branch I		Jhang Branch II	
	Acres	Average Rent	Acres	Average Rent
1902–03.	2,612	8 shillings	4,385	7 ½ shillings
1908–09.	9,446	12 shillings	15,264	10 shillings
1909–10.	12,283	15 shillings	16,875	11 shillings

Some addition should be made on account of charges properly payable by the landlord which he transfers to the lessee. Annual charges in the fully developed Lower Chenab Colony may be roughly estimated as :

Water Rate	4 to 5 ½	shillings per acre
Land Revenue	2 ½ to 3 ¼	» » »
Cesses	⅓ to ½	» » »
Total	6 ¼ to 9 ¼	» » »

The water rates are very low as compared with those on the Egyptian canals.

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The colonization of canal lands in the Western Panjab has been a notable achievement. The problems to be faced have been novel and sometimes difficult. While mistakes have been made, it is nevertheless true that a great experiment is being steadily carried to a successful issue, and that the wealth and prosperity of the Panjab has been vastly increased thereby.

Sketch Map of Punjab.



CANALS:

I. Western Jumna Canal.
II. Sirhind
III. Upper Bari Doab
IV. Upper Chenab
V. Lower Bari Doab
VI. Upper Jhelam
VII. Lower Chenab
VIII. Lower Jhelam

UNITED STATES.

MISCELLANEOUS INFORMATION.

1. — SOME ATTEMPTS TO UTILISE SURPLUS TOWN LABOUR IN AGRICULTURE. — An article in the *Country Gentleman* of July 4th, 1914, describes the work of a number of agencies in New York which are helping, each in its own sphere, to solve the problem of providing labour for the farms; some by establishing town workers with a little capital of their own upon small farms in New York State, others by drafting unemployed town labourers into the country districts where there is a demand for their services.

The situation which agencies of the latter type are trying to adjust is one which may be found in some form in almost any country. There are at all times in New York City large numbers of unemployed, many of whom, it has been proved, are capable of performing useful work in agriculture. With the object of inducing suitable men to accept such work the Deputy Commissioner of Agriculture has opened a Labour Bureau or Exchange in New York. Here he interviews men who are willing to leave the city and work on farms; ascertains what experience if any they have of farm work; and endeavours to place each man in a position of some kind in the country.

It has been found that the men who make use of the Exchange belong to two principal groups. The first are the immigrants who were employed in agriculture in their own country and who are, therefore, likely to be worth a higher wage in agriculture than in any town occupation, since any work of the latter kind which they are capable of performing must necessarily be of the lowest type of unskilled and probably casual labour.

Unfortunately it is just those immigrants who are fascinated most by the bustle and excitement of the towns. Many of them have friends in inland towns, already engaged in unskilled work in factories or foundries, who take charge of them upon their arrival at New York; but there are always men who upon landing remain practically stranded in the city. The Exchange seeks out those men and tries to put them into touch with farmers seeking help who are willing to pay the railway fare to the farms.

The second class of desirable farm labourers is made up of the boys and young men originally from the country who have failed in the town.

Many of these are mere lads who have left the farms for the town at the first opportunity, who have tried one occupation after another without success, and who are ready to go back to the country where at least they are certain to find good food and a warm lodging. The lads are sent on to farmers who make application for help to the Exchange. The railway fare is advanced by the State and refunded by the farmer. Every effort is made by the Deputy Commissioner to select suitable help for each farmer who applies to the Exchange; but he points out that responsibility for the labour problem lies to some extent with the farmers themselves who sometimes fail to make proper provision for the welfare of the labourers they employ. The problem is largely one of seasonal labour, and the New York Labour Exchange does everything in its power to reduce the demand for such labour, trying in every case to induce farmers to make yearly contracts with their labourers and arrange the work so as to keep the men on the farm constantly employed. The officers connected with the Exchange try also to ensure that the farmers pay the men they employ the full market value of their labour. They fix $300 a year, with a cottage free, as a fair wage for an experienced married man, and from $ 18 to $ 30 a month with board for an unmarried man.

The Exchange has occasionally sent batches of men into the country districts to seek for work, but as a rule it waits for applications from the farmers. Occasionally, too, the Exchange has extended its activity beyond the State of New York and sent skilled farm labourers into New Jersey, Connecticut and Pennsylvania.

One of the agencies which is contributing to the relief of the towns by transforming poor town dwellers into farmers is the Jewish Agricultural and Industrial Aid Society. This Society administers a fund established twenty-five years ago by Baron de Hirsch, and the fund serves to finance the Baron de Hirsch Agricultural School at Woodbine, New Jersey. More than 900 poor boys drawn from the worst parts of large cities have received one or two year's training in practical agriculture at this school, and have passed on to situations on farms. In addition, the farm-labour department of the Society, during the six years it has been in operation, has found situations on farms for 3,578 men. The Society also makes loans to heads of families to enable them to acquire farms and settle permanently upon the land. Naturally the Society confines its activities to members of the Jewish faith.

Columbia University has also turned its attention to the problem of encouraging a movement from the towns with the object of counterbalancing the rural exodus, and has founded in New York City an institute under the direction of an agricultural specialist to provide short courses in agriculture for town workers. Professor Morgan, the Director in charge of this work, believes firmly that one year's instruction in agriculture followed by a year of supervised practical work on a farm is a sufficient training to fit men who have hitherto worked in towns for earning their living in agriculture. It is too early yet to speak of the results of his efforts, but

Professor Morgan is enthusiastic and sanguine, and the experiment of turning discontented town dwellers into farmers is likely to prove interesting.

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2. — BANKERS' COMMITTEES ON AGRICULTURAL DEVELOPMENT AND EDUCATION. — During the past few years the farmer and his problems have been very widely discussed in the United States, not only by persons who depend more or less directly upon agriculture for their living, but by business men, railway men, bankers and others whose interest in the farmer is indirect. The formation of County Development Committees, Country Life Committees and similar associations has enabled each of these classes to contribute in some degree to the progress of a movement which has for its objects the better organisation of agriculture and the amelioration of life in the country; but some three years ago American bankers took the significant step of creating special committees of their State Associations with the title of "Bankers' Committees on Agricultural Development and Education".

At the first Conference of delegates from these Committees held in October, 1911, seven States were represented. A year later the number of states had increased to twenty-three and at the present time there are about thirty-eight Committees in the country. At the end of 1913, with the object of making the work of the Committees more effective as well as more widely known, the bankers founded a weekly review which, under the title of the *Farmer-Banker*, appears to have met with considerable success as a farm paper.

The Bankers' Committees are intended in the main to act as propagandist bodies carrying on a campaign for the improvement of technical agriculture and for the better organisation of the whole farming industry. Their aim is to disseminate information gathered by the numerous agencies, official and private, already working on behalf of better farming; and to some extent to co-ordinate the work of such agencies. The bankers — probably with a good deal of reason — assert that the existing agencies for agricultural research and education have accumulated a vast amount of valuable information which, in spite of the efforts made to disseminate it, still remains to a large extent unutilised. They propose to make this information better known through the medium of their weekly paper and the proceedings of the separate State Committees and the Annual Conference.

In a pamphlet which bears the title "The Banker-Farmer Partnership" are indicated some of the questions to which the bankers intend to devote special attention. They include farm demonstration work, soil surveys, road improvement, vocational training in rural schools, the marketing of agricultural products and the question of agricultural credit.

The views of the bankers as a body upon the subject of agricultural credit might naturally be expected to carry exceptional weight, but un-

fortunately American farmers are disinclined *a priori* to accept the views of bankers upon banking. The farmers apparently argue that a scheme which is good for the bankers is necessarily bad for the farmers, overlooking the fact that the scheme may possibly be good for both. Briefly, the attitude of American bankers upon the question is that existing institutions, including in the first place the banks of the country but including also such agencies as building associations and life insurance companies, are capable of providing all the credit which can be usefully employed in agriculture. They admit that some modification of the existing system and of the banking laws as they now stand may be advisable; but they are opposed, in general, to the creation of new credit associations or institutes. Or perhaps it would describe their position more correctly to say that they are opposed to the creation of new credit institutions until is has been proved that existing institutions are incapable of meeting all the whole of the legitimate demand for credit for agriculture.

The bankers, however, have not made the mistake of using their Committees merely for the purpose of advertising their views on the question of credit. They are using them rather to combat the idea that the interests of the banker are antagonistic to those of the farmer, and at the same time to direct the serious attention of bankers throughout the United States to the importance of making a close study of the problem of financing the country's greatest industry, — agriculture.

(Summarised from the *Banker-Farmer*, Vol. I, Nos. 1-6, December 1913–May 1914).

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3. — Farm tenure in Texas. — The Census Bureau in the United States first gathered information regarding farm tenancy in 1880. At that time 37.6 per cent of the farmers in Texas were tenants, and the proportion of tenants has grown continuously until, in 1910, it reached 52.6 per cent. The movement is shown in the following figures relating to the occupation of farms :

	1880	1890	1900	1910
Owners and Managers . . .	62.4	58.1	50.3	47.4
Tenants	37.6	41.9	49,7	52.6

Although the owners form less than half of the total number of farmers in Texas, they occupy and operate more than 60 per cent of all farm land. Owned farms, that is to say, are generally larger than rented farms. Owners and Managers together operate 79 per cent of all farm land, while tenants, though forming 52.6 per cent of all farmers, operate only 21 per cent of the total farm acreage. The difference is less marked, however, if we consider not total area of farm land but the area of " Improved farm land ".

Owners operate 52.6 per cent of the improved farm land, tenants 44.5 per cent, and managers only 2.9 per cent.

Over 75 per cent of the farmers of Texas are native born white, about 8 per cent are foreign born white, and about 16 per cent are negroes. Of the white farmers only 49 per cent are tenants ; of the negro farmers 69.5 per cent are tenants. Of all land in farms operated by white farmers, over 60 per cent was in farms operated by owners and about 20 per cent was in tenant farms. In the case of negro farmers 40 per cent of all land was under ownership while over 50 per cent was occupied by tenants.

It seems that the preference for ownership is stronger among foreign born than among native born whites ; of the former, nearly 58 per cent are owners while only 49.5 per cent. of the latter are owners.

The outstanding fact with regard to tenancy in Texas is its relation to cotton growing. In the cotton belt of the State the proportion of tenancy is 60 per cent and over. Although the percentage of tenancy is higher for negro than for white farmers it does not follow that a high proportion of negroes in the population of a particular region signifies always a high percentage of tenants. In the cotton counties of Texas, where tenancy is highest, the proportion of negroes in the population is comparatively low.

As a rule the proportion of tenancy is highest in those sections of the State where the price of land is highest, but there are important exceptions to the general rule. Galveston County has the highest average price for farm land in the State, namely 78 dollars per acre, yet the proportion of tenants is only 18.4 per cent. Robertson County has the highest percentage of tenancy, but the average price of land there is only 15 dollars.

The form of tenancy in Texas is predominantly share tenancy, and even the small proportion of cash tenancy, which exists seems to be declining. In 1890, the proportion of farms held under cash tenancy was 8.8 per cent ; in 1900 it was 7.3 per cent ; and in 1910 only 6.3 per cent.

(Summarised from the *Bulletin of the University of Texas*, No. 258).

* * *

4. — THE RELATIVE GROWTH OF THE NEGRO POPULATION. — In view of the fact that an article on the "Social and Economic Progress of the Negro Farmer" appeared in a recent number of the *Bulletin* (1) it will be useful here to reproduce from the *American Economic Review* some information as to the movement of the negro populations between the first census in 1790 and the last census — the thirteenth — in 1910.

At the first census the negroes formed 19.3 per cent or nearly one-fifth of the entire population ; in 1910 they formed only 10.7 per cent. During the whole period of a hundred and twenty years which separates the first census from the last the white population was shown to have increased

(1) *Bulletin of Economic and Social Intelligence*, June, 1914.

more rapidly than the coloured in every decade except two. Between 1800 and 1810 the whites apparently increased 36.1 per cent while the increase among the negroes was slightly greater, namely 37.5 per cent. Again, at the census of 1880 the increase shown among the whites was about 30 per cent against an increase among the negroes of 34.9 per cent. The results of the 1880 census were regarded by many white people with a good deal of alarm, and it was argued that emancipation of the negroes was leading inevitably to the swamping of the white population in the Gulf States. It must be noted, too, that in the decade between 1870 and 1880 there had been very little negro immigration while white immigrants had been numerous, so that the difference between the negro rate of increase and the white rate of increase appeared to be even greater than was shown by the census figures.

However the fears of the alarmists were soon dispelled. At the next census in 1890 it was officially reported that, while the black population had increased 13.5 per cent, the increase for the whites was no less than 27.7 per cent. Between one decade and another, that is to say, the rate of increase for the negroes had dropped from 34.9 to 13.5 per cent; and in the next decade, according to the census of 1900, it rose again to 18 per cent. Negro immigration and emigration during these years were alike inconsiderable and it is admitted that the fluctuations were not really so great as shown in the census results, that the enumeration had, in fact, been defective.

In 1870, the disorganised state of the country had prevented a satisfactory count of either race and, as society was most disorganised in the sections where the negroes were most numerous, the census enumerators had overlooked more negroes than whites, and the increase shown for the negroes between 1870 and 1880 was, therefore, too high. Again, in 1890, the census taking was badly done and, according to the writer in the *American Economic Review*, "In all probability the rate of negro increase between 1880 and 1890 was about 16 per cent rather than 13.5; and between 1890 and 1900, under 15 per cent rather than 18 per cent as reported".

Past experience makes it difficult to decide whether the official figures may be accepted or not, but if the census of 1910 was accurately taken there has again been a drop in the negro rate of increase, which is returned as 11.2 per cent.

Few if any of the states in which the negroes are relatively numerous have an efficient system of registration of births and deaths, and this deprives us of the only efficient means of checking the census figures. The writer whom we are quoting thinks that the true increase may have been about 14 per cent, *i.e.* some 3 per cent greater than shown in the census figures, and concludes, "Even if the census returns were inaccurate to that extent, certain very important results to which they point would be unaffected. It would still remain true that in the country as a whole the whites are increasing relatively faster than the blacks, and that their absolute increase is many times as great".

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO AGRICULTURAL ECONOMY IN GENERAL.

AUSTRIA.

ALMANACCO AGRARIO PER L'ANNO 1915 PUBBLICATO PER CURA DELLA SEZIONE DI TRENTO DEL CONSIGLIO PROVINCIALE D'AGRICOLTURA PEL TIROLO (*Agricultural Almanac for the Year 1915, published by the Trent Division of the Agricultural Provincial Council for the Tyrol*) Trent, 1914. Tip. Art. Trid.

The 1915 number of the Agricultural Almanac, published annually by the Trent Division of the Agricultural Provincial Council of the Tyrol, has just appeared. We have already had occasion in this Bulletin to point out the importance this publication has assumed in the course of the years. The compilation of the almanac for 1915 naturally has suffered by the war breaking out while it was in progress. There are fewer pages. we find. The annual is reduced this year to the proportions strictly necessary ; but, in spite of this, it will yet be found of considerable utility, owing to the abundance of valuable statistics and other information it contains.

UNITED STATES.

TRIMBLE, (WILLIAM J.) : THE INFLUENCE OF THE PASSING OF THE PUBLIC LANDS. *Atlantic Monthly*. pp. 755-767. June, 1914. Boston : The Atlantic Monthly Company.

Mr. William J. Trimble is Professor of History and Social Science in a North Dakota College and writes, in addition, with the fuller knowledge of agricultural conditions which only practical experience can give. His theme is the profound change which is being wrought in American life and in American ideas by the passing of the once vast public domain into private ownership.

After pointing out the extraordinary rapidity with which the public lands were occupied, the writer examines some of the moral and material results of this swift settlement. The material results were obvious. The output of the products of the soil, of the forests, and of the mines, was in-

creased at a rate unmatched in history; food and the other necessaries of life were for a long time cheap and plentiful; population increased with amazing rapidity. The moral results were at first less evident; and they were mixed. The unstinted abundance yielded by the opening up of virgin lands bred and encouraged an over-confidence which often amounted to recklessness and resulted in speculation and waste. But the frontier life taught men to be self-reliant, hardy, resourceful and courageous, and, above all, it taught them the doctrine of social and political equality. "Notwithstanding defects in our pioneer democracy" — writes the author of this article — "it was a genuine and sincere democracy; and it was so vitally connected with our public lands, that their passing raises profound problems touching the very existence of our democracy."

Mr. Trimble views the problems of the new era with a full sense of their gravity. Until now the people have spent with lavish prodigality the bounties provided by new lands and untouched stores of natural wealth. Now the time has come when the people may no longer waste; but must conserve. The law of diminishing returns, from now onward, will make it ever more and more difficult to win from the soil an increased production commensurate with the demands of an increasing population. The comparatively small area of public land still unappropriated is for the most part of inferior quality. There are no new fertile regions to be opened up to occupation. The real struggle has begun. It can only be won "at the price of more painstaking and enlightened methods, by continually, bringing to bear fine and well-directed ingenuity, and by recreating, supplementing and hoarding our natural resources with the greatest care."

So much for the material problem. What of the moral problems of the new era? American democracy has been matured in a free-land era. How will it fare in an era of occupied land? With the passing of the public lands passes also the era of equality of opportunity; and with the passing of equality of opportunity passes also the tendency towards social and economic equality which was so strong throughout the free-land era. Nevertheless the writer does not fear for the cause of democracy. Political equality, he thinks, will survive and, in spite of the fact that America is entering of necessity upon a period of greater social control, through political equality will be won economic and social equality. Inevitably as life in America becomes more highly organised it becomes harder for the members of certain classes to retain complete economic freedom, if by complete freedom we mean not only freedom within the class but freedon also to pass from one class to another and a higher one. These classes claim — and claim justly — that if they are to be deprived of opportunity they shall at least be offered safeguards; and so arises the demand for legislation which is essentially protective — employers' liability laws, income and inheritance taxes, social insurance, the regulation of immigration, etc. These are the questions which American democracy has now to face. The writer does not suggest that they have arisen solely because of the passing of the public lands, but it is undeniable that while the free-land

era lasted they were, as far as the United States was concerned, questions more or less academic.

With the passing of that era they become urgent practical problems.

GREAT BRITAIN AND IRELAND.

SCOTTISH LAND : RURAL AND URBAN. The Report of the Scottish Land Enquiry Committee. London, 1914. Hodder and Stoughton. 8vo. LV + 555 pages.

WELSH LAND : RURAL. The Report of the Welsh Land Enquiry Committee. London, 1914. Hodder and Stoughton. 8vo. XI + 387 pages.

We have in a previous number of the *Bulletin* (1) given some account of the Report of the Committee, consisting of representatives of the Liberal Party, which inquired into the land problem in England. This Report was published in two volumes under the title of " The Land. Vol. I Rural. Vol. II. Urban. " Similar Committees were appointed to inquire into the land problem in Scotland and Wales, and the Report of the Scottish Land Enquiry Committee, embracing both the rural and urban aspects of the problem, has now been published, as well as the first part of the Report of the Welsh Land Enquiry Committee, dealing only with rural land.

Except that the holdings in Wales are smaller on the average than in England and that the physical conditions are different, the land problem in Wales does not present any very marked features which distinguish it from the corresponding problem in England, and the conclusions and recommendations of the Welsh Land Enquiry Committee do not greatly differ from those of the English Committee. One special recommendation, however, is that a separate Board of Agriculture should be established for Wales, the proposal being justified not only on grounds of nationality but on account of the diffferences between the two countries to which we have alluded.

In Scotland, on the other hand, there are special problems to be dealt with in regard to the crofters and to the large areas which have been converted into deer forests or are otherwise used for sporting purposes. Much has already been done to improve the economic position of the crofters and other small holders and an account of the efforts in this direction formed the subject of an article in a previous issue of this Bulletin (2). The Committee recommend various modifications of the present laws relating to small holders and urge that the protection which they give against arbitrary eviction and arbitrary renting should be extended to all farmers.

(1) *Bulletin of Economic and Social Intelligence*, June 1914, " Proposals for Land Reform in England and Wales. "

(2) *Bulletin of Economic and Social Intelligence*, February, 1914 : "Small Holdings in Scotland and the Effects of Recent Legislation Regarding them, " by John M. Ramsay.

As to deer forests, they recommend that much of the land now utilised for this purpose should be made available for extending existing grazings of small holders and for creating new small holdings.

We shall treat these two Reports at greater length in an early issue.

MAC DERMOTT (THE REV. G. M.): Agricultural Conditions in Norfolk. "The Economic Review." London: October 15th., 1914.

Starting with the remark "Facts, facts, and still more facts — this is what is essential for a right apprehension of every social problem," the Rev. G. M. MacDermott makes a small contribution to the right apprehension of the English land problem by giving a few facts concerning the wages and conditions of work of agricultural labourers in that county of England with which he is best acquainted. His summary of the agricultural labourer's position in Norfolk is this: "He is well off while he is single; he can just manage to live when he has a wife and three or four children; but if he has a large family the struggle to make both ends meet is severe and most trying for both parents."

ITALY.

ANNUARIO DEI COMIZII AGRARI ATTIVI 1914. Consociazione dei Comizi Agrarii Italiani. (*Yearbook of the Agricultural Comizii working in* 1914. *Association of Italian Agricultural Comizii*) Terni, 1914. Printed by Augusto Visconti. 50 pages.

This Yearbook, compiled by the meritorious *Consociazione dei Comizii Agrari Italiani*, gives lists of the Agricultural Comizii working in each region, with, in each case, the members of the board of management and the number of members of the comizio. We learn from this useful publication that on October 1st., 1914, the 129 agricultural comizi registered had altogether 25,416 members and there were 1,515 members on their boards of management, amongst which are to be found the names of the most experienced and intelligent farmers of every province.

LE MIGRAZIONI PERIODICHE INTERNE DEI LAVORATORI AGRICOLI (*Periodical Home Migrations of Agricultural Labourers*). Supplement to the *Bollettino dell'Ufficio del Lavoro*. No. 25. Ministero di Agricoltura, Industria e Commercio, Direzione Generale della Statistica e del Lavoro. Rome, 1914. Officina Poligrafica Italiana. 118 pages.

In this Supplement to the *Bollettino dell'Ufficio Nazionale del Lavoro* (Bulletin of the National Labour Office) are published the results attained by means of an enquiry carried out by the Labour Office into the prin-

cipal migratory movements of farm labourers in 1913. Special consideration is given to the movements in connection with cleansing the rice plants and harvesting the crop. The total number of labourers emigrating towards the more important centres of rice cultivation was in that year, for the work of clearing, 50,261 persons (12,446 men and 37,815 women), and for harvesting 24,997 persons.

The report is accompanied by various tables which furnish most useful and interesting information in regard to the days during which the emigrants are absent and on which they work, the means of transport employed, the districts to which emigration is directed and finally the seasonal and daily earnings of the labourers.

SCANDINAVIAN COUNTRIES.

FROST (Dr. J.): Die innere Kolonisation in den skandinavischen Ländern. (*Home Colonisation in Scandinavian Countries*). Berlin, 1914. Paul Parey. 77 pp.

The work of the Scandinavian Governments in relation to home colonisation has been and still is very active, perhaps more so than that of other European States. These countries have a very sparse population, and the emigration from them is very considerable, and thus they contrast with other lands, the emigration from which is due chiefly to excessive density of the population. Urbanism is here also an important phenomenon, due both to the prosperity of commerce and industries and to the rapid disappearance of a whole class of farm labourers who were bound to the soil by contracts made for life (Husmaend, Torpare, etc.).

These factors make the work of home colonization necessary ; and it is promoted by the three Governments on similar lines, although the different conditions of the several countries often lead to very considerable differences in regard to legislation. Dr. Frost examines the work of colonisation in Denmark, Sweden, and Norway, in turn. In a short introduction and in the conclusion, he notes the general characteristics of the three systems of legislation and points out their differences; finally, he notes the lessons that the other States of Europe, and especially Germany, may derive from a study of the home colonisation of Scandinavia.

SWITZERLAND.

EXPOSITION COLLECTIVE DES DÉPARTEMENTS CANTONAUX D'AGRICULTURE A L'EXPOSITION NATIONALE DE BERNE 1914. (*Collective Statement of the Cantonal Agricultural Departments for the National Exhibition at Berne*, 1914). 158 pages.

The essential portion of this publication may be divided into three parts, exclusive of the appendix. The first shows the expenditure supported by

the cantons in the various branches of agriculture, and especially in connection with agricultural schools and the attendance at them in 1912 and 1913-14, horse, horned cattle and goat improvement, farm improvement, the cultivation of plants, dairying, livestock and hail insurance and agricultural societies. The second part shows, with the help of statistical tables, the fluctuations in expenditure in connection with subventions for agriculture in the years 1880, 1890, 1900 and 1912 ; the material is subdivided into four parts relating to the expenditure for agricultural education, livestock improvement, farm improvement and subventions for other departments of agriculture ; the fluctuations in the expenditure are summarised in a special table. The third part deals with the results arrived at.

The book concludes with a rich appendix containing the most recent agricultural legislation of the several cantons.

It is an excellent source of authoritative information in regard to the most various branches of Swiss rural economy.

RUGGERI ALFREDO, gerente responsabile.

INTERNATIONAL INSTITUTE OF AGRICULTURE

BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

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INTERNATIONAL INSTITUTE OF AGRICULTURE

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Part I: Co-operation and Association

ITALY.

1. PROGRESS OF THE PROVINCIAL FEDERATIONS OF CATHOLIC RURAL BANKS.

The importance of the Catholic movement in the field of co-operative credit is well known, and we have more than once had occasion to refer to it when summarising the results of the Parliamentary Inquiry into the conditions of the peasants in the Southern provinces and in Sicily (1), the latter island being the region *par excellence* of the Catholic rural banks, and when exhibiting the results of the enquiry carried out in 1911 by the National Labour Office in regard to the Catholic Workmen's organizations in Italy (2).

We have already seen that the rural banks organized by the Catholics tend to federate and are indeed united in diocesan and provincial federations, adhering through the medium of special organizations (3) to the *Unione Economico-Sociale fra i Cattolici Italiani*, the great centre for the union and management of the Catholic institutions in Italy, with head quarters at Bergamo.

These federations, now to be found in almost all the regions in which the Catholic movement has acquired importance, besides their general object of representing the federated societies, usually also serve as banks for them, centralising capital, opening credits etc., and also at the same time

(1) In regard to the economic and social movement of the Catholics in Sicily and in particular in regard to the Catholic rural banks of that region, see the report of Prof. GIOVANNI LORENZONI, technical delegate for Sicily on the occasion of the above mentioned Parliamentary Enquiry. Vol. VI of the Enquiry Report, Part II, Chapter X.

(2) See in this connection *Bulletin of Economic and Social Intelligence*, August and September, 1912, pp. 27 and 45 respectively.

(3) That is to say, the Economico-Social Sections of the Diocesan Secretariats.

undertake the duty of inspecting the financial business of the affiliated banks.

Where there are no real and true federations discharging these functions, the banks are for the most part affiliated to superior credit institutes, which, as they have to grant them credit, always have supervision over their working.

In regard to some of these federations we are now in a position to communicate the following facts, beginning with the most important and best regulated: the Federation of Rural and People's Banks of the Province of Bologna.

(a) *Federazione delle casse rurali e popolari della provincia di Bologna.* — This is one of the most meritorious Catholic co-operative societies, and in a life of ten years it has seen the number of banks affiliated to it and their members continually increase, as the following figures show:

Years	Federated Banks	Members
1905	53	4,057
1906	61	4,593
1907	62	4,882
1908	64	5,003
1909	64	5,049
1910	71	5,967
1911	80	6,766
1912	81	7,123
1913	82	7,357

There are now 84 federated banks with 7,473 members: these are almost all the banks in the Province of Bologna.

It may be interesting to give a rapid glance at the general situation of the banks affiliated to the Federation in different years, seeing that the tenth anniversary of its foundation was reached last December; we give the total amounts below:

Years	Federated Banks	Total Busines Done
		Frs.
1904	29	545,554
1907	62	1,511,882
1910	71	2,694,526
1911	80	3,101,837
1912	81	3,411,098
1913	82	3,648,742
June 30th., 1914	83	3,713,916

The progress has been continual, which shows the regular working of these useful institutions. In particular, evidence of the confidence they

inspire is given by the figures for the deposits collected, which we give below:

Years	Federated Banks	Deposits — Frs.
1904	29	368,292
1907	62	1,324,911
1910	71	2,327,034
1911	80	2,704,954
1912	81	2,983,224
1913	82	3,283,850
June 30th., 1914	83	3,497,694

With an average per bank of 12,700 frs. in 1904, 21,370 frs. in 1907; 32,775 in 1910; 33,810 in 1911; 36,830 in 1912; 40,046 in 1913 and 42,140 on June 30th., 1914.

But the fluctuations in the amount of the loans granted to members, as shown below presents the greatest interest:

Years	Federated Banks	Amount of Loans — Frs.	Average per Banks — Frs.
1904	29	308,157	10,626
1907	62	626,957	10,112
1910	71	1,400,155	19,720
1911	80	1,606,983	20,008
1912	81	1,859,699	22,960
1913	82	1,944,900	23,720
June 30th., 1914	83	1,998,604	24,080

Finally, the average net profits increased from 202.80 frs. at the end of 1904 to 231.60 frs. in 1907, to 234.20 frs. in 1910, to 268.50 frs. in 1911, to 278 frs. in 1912 and to 285 frs. in 1913.

This is in outline the course followed by the federated rural banks of the province of Bologna, the results of which, as we see, in the first ten years of the life of their Federation, were satisfactory.

(b) *Federazione delle associazioni economico-sociali della provincia di Parma* (Federation of Economic and Social Associations in the Province of Parma). — On December 31st., 1913 there were 66 societies federated to it, that is to say 41 rural banks (3,632 members), 13 labour co-operative societies (650 members) and 12 agricultural co-operative societies (528 members).

The year 1913 marked a very considerable progress on the part of the rural banks from their situation in 1912, as is seen in the following table:

The General Business Done increasing from frs.	2,753,848	to frs.	3,213,458
Savings Deposits	,,	,,	,,	2,109,503	,,	,,	2,619,760
Loans on Bills	,,	,,	,,	2,118,012	,,	,,	2,439,801
Cash Deposits at Interest .	,,	,,	,,	9,291	,,	,,	72,650
Debit Current Accounts falling	,,	,,		285,380	,,	,,	220,002
Reserve Funds increasing	,,	,,		66,312	,,	,,	86,653
Net Profits. ,,	,,	,,		23,661	,,	,,	26,614

Above all noteworthy and characteristic was the decrease in the amount of the debit current accounts and the increase in the deposits at interest. As we see from the reports of the society on March 31st., 1914, the situation had again improved, so that the savings deposits and the debit current accounts on the one hand, the loans and the cash deposits at interest on the other balanced each other; and it may be said that the banks themselves had been no burden upon the *Cassa Centrale per le casse rurali cattoliche d'Italia* (Central Bank for the Catholic Rural Banks of Italy), Parma. While, indeed, in 1912 the banks in which the liabilities exceeded the assets and which had therefore to have recourse to the Central Bank to establish an equilibrium were 25 and those that had cash in excess were 17, at the end of 1913, on the other hand, the number in which there was a scarcity of money was only 18 and that of those that had an excess of it 23.

As we have had occasion to mention here the Central Bank for the Catholic rural banks of Italy, a limited liability co-operative society with unlimited capital, we think it advisable, in order to give an idea of its importance, to reproduce the figures of its balance sheet for May 31st., 1914: *Credits:* cash, 1,010,235.57 frs.; bills and acceptances, 7,833,349.92 frs.; anticipations on pledge of securities, 76,838.30 frs.; real estate, 580,000 frs.; Government securities etc., 3,362,409.19 frs.; guaranteed current accounts, 4,835,255.39 frs.; correspondents, 420,414 frs.; miscellaneous items, 181,506.51 frs.; furniture, safes and cash boxes, 83,956 frs.; bills received for payment, 31,562.69 frs.; total credits, 17,965,528,43 frs.; securities in deposit, 7,513,970.25 frs.; general total 25,479,498,68 frs. *Debits:* Deposits withdrawable on demand, 9,697,515.01 frs.; deposits for fixed terms, 5,310,845.54 frs.; correspondents, 1,708,367.28 frs.; miscellaneous items, 166,656.10 frs.; total debits 16,883,383.93 frs. — *Capital of the Bank:* Fully paid up, 443,400 frs.; ordinary reserve fund, 399,060 frs.; extraordinary reserve fund against the fall in value of securities and losses on bills, 195,000 frs.

The office of this central bank for the rural Catholic banks is elsewhere performed by institutes akin to it, called *Small Credit Institutes.*

(c) *Federazione delle Casse rurali della provincia di Forlì* (Federation of Rural Banks of the Province of Forlì). — This Federation with headquarters at Cesena includes about 30 rural banks, the situation of 25 of which on December 31st., 1913 was as follows: members, 2,564; capital and

reserve fund, 36,470 frs. ; savings deposits, 761,245 frs. ; debit current accounts and rediscount, 8,479 frs.; loans, 759,797 frs.; deposits at interest in the larger Institutes, 62,970 frs.; net profits for the year 6,604 frs.

(d) *Federazione pistoiese delle casse rurali* (Pistoia Federation of Rural Banks). — At the end of 1913, the rural and workmen's banks federated were 42 with 3,800 members. At that date their general situation was as follows: bills and acceptances and members' current accounts, 1,953,385 frs.; savings deposits, 1,445,066 frs. ; share capital, of the societies of collective title, 27,794 frs.; of societies limited by shares, 32,907 frs.; net profits for the year 1913, 10,433 frs.

(e) *Federazione interdiocesana delle casse rurali e operaie cattoliche di Firenze* (Florentine Interdiocesan Federation of Rural and Catholic Workmen's Banks). — The affiliated banks are 30, belonging to the provinces of Tuscany (Florence, Arezzo and Siena), exclusive of that of Pistoia. On December 31st., 1913, the principal figures of their general situation were as follows : members, 4,105 ; bills in safe, 915,944 frs.; deposits at interest in current account, 152,650 frs.; capital, 5,778 frs.; reserve fund, 18,788 frs.; deposits, 1,021,992 frs.; debit current accounts, 74,145 frs.

Other similar federations exist at Bergamo, Reggio Emilia, Ferrara, Faenza, Rovigo, Turin, Acqui etc.

But if some of these federations, as we see, have been successful, exerting a somewhat efficacious action for the advantage of their affiliated societies, others have up to the present had a difficult and uncertain existence; more than this, many rural Catholic banks still live independent lives and present considerable differences in regard to their administration and technique; this isolation has at times led in many of the banks to a real disorganisation of the administration, revealed by regrettable failures, which have been rather frequent of late years.

With the object of avoiding these and other disadvantages and strengthening and reinvigorating the local federations remaining inactive, founding new ones and finally promoting an intense and thorough improvement of the technique of the rural banks, the *Federazione Italiana delle casse rurali cattoliche* (Italian Federation of Rural Catholic Banks) was reconstituted at Bologna on the fourteenth of last December.

Such a federation had indeeed been founded at Bologna in the early part of 1910 in accordance with a decision of the Brescian Congress of rural banks in 1909. It worked during 1910 and 1911; then its Federal Committee was dissolved and the Federation only existed in name.

The renovated Italian Federation, to which the above mentioned provincial Federations were invited to adhere, proposes, amongst other objects, (*a*) to act as the representative of the federated banks and to promote friendly relations between them for moral and economic purposes ; (*b*) to institute local federations and new rural banks ; (*c*) to harmonize and substantially direct the work of inspection and courses of instruction in regard to the management and bookkeeping of the societies, for the members of the staff; (*d*) to compile general statistics etc.

Its executive authorities are the Federal Council, consisting of the delegates of the registered Federations, and the Federal Committee, consisting of seven members elected by the Council.

The above objects of the Italian Federation, without doubt, make up a large programme. We shall see, hereafter, how it is carried out, and inform our readers in due course of the results obtained (1).

2. MISCELLANEOUS NEWS.

1. — STATISTICS AND INFORMATION IN REGARD TO THE LOMBARD DAIRY SOCIETIES. — In order to show the progress made in recent years by the Lombard dairy societies in regard to their administration and technique, the excellent *Società agraria di Lombardia* (Lombard Agricultural Society) opened a prize competition for the dairies of that region, whether legally constituted or merely existing *de facto* before 1913, treating an average quantity of milk of not more than 15 quintals, two thirds of which at least was transformed and not sold as milk. From the report of the committee appointed as judges for this competition (2), we derive the following information on Lombard dairy co-operation.

The report begins with two satisfactory statements: first, that, thanks to the legislative measures passed in recent years for the advantage of mountain, forest and pasture land (3) and to the work of the itinerant agricultural lecturers and the livestock improvement associations (4), the livestock of Lombardy has improved slowly but surely, even in the most remote valleys and grazing, the cultivation of cattle foods and the rearing of

(1) The above information and figures are reproduced from *Cooperazione Popolare*, the organ of the Catholic rural banks and mutual and co-operative societies, as well as of the Italian Federation of Catholic Rural Banks, Parma, Nos. 10-11, 13, 20, 23-24 of 1913, and No 1. of January 10th., 1915. The last number contains the rules of the Federation.

(2) See the *Bullettino dell'Agricultura*, the organ of the society mentioned. Milan, Nos. 31 and 32, July 31st. and August 7th., 1914.

(3) See in this connection the article: *New Italian Forestry Legislation*, in the number of this Bulletin for July, 1911.

(4) See in this connection the article: *Livestock Improvement Associations in Italy*, in the number of this Bulletin for January, 1913.

cattle are receiving more and more attention; so that, it is observed in the report, the moment seems to have arrived for intensifying the propaganda in behalf of dairy societies which "very often become in their turn centres of propaganda and progress and lead the way to mutual livestock insurance, the collective purchase of manure and material, the collective sale of members' produce, small agricultural consortiums, cattle service stations, courses in the theory and practice of dairying, societies for the treatment of milk in mountain districts, collective leases in such districts and distributive co-operation."

Another statement is that in the whole region of Lombardy there has been for some time observable a renewed activity exerted in behalf of the dairy societies, due both to the propaganda of technical experts and to the decision of the farmers themselves to adopt modern methods of dairying So it happens that in the Valtellina, side by side with co-operative societies. of older type, we now see numerous new organizations full of promise, amongst which we may mention the Gordona Co-operative Dairy Society. And in a few years in the Valleys of the Province of Como and especially in the neighbourhood of Lecco small dairies have multiplied and, whereas the entire province of Bergamo was almost without dairies, more than 50 have now arisen there; in that province the dairies have federated, principally for the purpose of regulating the butter trade.

However, the number of dairies in the extensive hilly and mountainous region of Lombardy, consisting of the provinces of Bergamo, Brescia, Como and Sondrio, is not yet very large; there are altogether about 200, of which many are merely societies in which the work is done by the different members in turn. Of these only 21 entered for the competition opened by the Lombard Agricultural Society.

Very various are the types of these dairies and the systems they adopt, though they always correspond with local requirements. And, indeed, some usually exclude from treatment a more ar less considerable portion of their milk (up to one fourth) so as to sell it as milk in the larger villages and the neighbourhood of urban centres and health or summer resorts, to satisfy the demand of the foreign colonies and the local population who have not any. Others treat the milk and make butter and skim milk cheese; in this case the members receive the cheeses due to them in consideration of the milk supplied and in money they only receive the value of the butter. No price is fixed for the cheese, or only one for bookkeeping purposes, to show the yield per quintal of milk.

As regards the production of butter, sometimes only enough is produced for local consumption; when, on the contrary, the production is in excess of the consumption, it is readily sold in the large centres at the entrance of the principal valleys. In this connection we must mention the excellent example afforded by the dairy societies of Bergamo, which, as already observed, are closely federated for the purposes, among others, of the collective sale of the butter in excess of local requirements, of extinguishing mutual competition and obtaining higher prices by the collective sale of their produce.

The Federation of dairy societies of Bergamo closed its accounts for the year 1913-1914 on the nineteenth of last October, showing, as in previous years, excellent results (1). It indeed received from the 14 dairies federated to it 6,231 kg. of butter, which it sold at Bergamo, Clusone and Trezzo for 19,731.65 frs., which, when 1,236.30 frs. were deducted for costs of transport, packing, postal, customs and working expenses, gave a net price of 18,495.35 frs., or 2.96 frs. per kg. As we see, the price is very high, exceeding the average paid at Milan, which from November to May did not exceed 2.82 frs.

In some instances, for example at Capovalle and Morbegno, the dairy contracts to supply butter not to a co-operative organization, like this Bergamo Federation, but to a wholesale dealer, or directly, in small amounts, to private persons even in Central and South Italy. On the other hand, it is rarely that a dairy contracts to supply cheese: the cheeses serve for local consumption and, if any member finds himself overstocked, he sells for his own account locally or to dealers in the valley, or at most applies to the dairy to act as intermediary for him.

We shall now speak briefly of the constitution and bookkeeping of the competing societies.

They, in the first place, were for the most part of recent, some of very recent, foundation. The period for which they had worked varied from 1 year to 33 (Morbegno and Ponte) and 34 (Tirano). They are all co-operative societies, except that of Casto, in which the members work in turn, and that of Tirano, in which there are two systems of working, the co-operative, and the system of turns for a group of members less modern in their ideas and more hesitating. They are all simply organisations *de facto*, except the three at Cantello-Ligurno, Capovalle and Lavenone. The buildings belong to the Society at Gordona (value 50,000 frs.), Morbegno (18,000 frs.), Regoledo, Cantello-Ligurno, and Cerete Alto (10,000 frs.). The amount of milk supplied varied from 1 quintal (Valmoresca) the day to 12 quintals (Ello) the day. It is worked by dairymen who in many places have the diploma of the *Reale Stazione di Caseificio di Lodi* (Lodi Royal Dairy Station) or the *Reale Scuola Pastori di Brescia* (Brescia Royal Herdsmen's School) at Orzivechi: in other cases they have followed other special courses, for example at Morbegno and Bellano; lastly, in other instances, they have made a short apprenticeship in some dairy in the vicinity. The machinery and implements are those in ordinary use; in many cases, simple enough, in some instances, not even the property of the society but leased or lent by some of the members. The machines are worked sometimes by hand and sometimes by electricity.

As regards the books, in many dairies they are really very well kept, on a simple and complete system; the merit is often due to the organizations

(1) See in this connection, the *Bullettino dell'Agricoltura*, Milan, No. 48, November 27th., 1914.

for propaganda, which not only supply forms, but even assist the secretaries in making out the balance sheets. In some cases, however, the accounts are not well kept, but this is rather the fault of the persons than the system.

The Committee of judges appointed for the competition awarded the gold medals, supplied by the Department of Agriculture and the Lombard Agricultural Society, to the two co-operative dairies of Gordona (Sondrio) and Morbegno (Sondrio), in consideration of the excellence of their installation and technical management, the amount of milk treated, and the results obtained, and silver medals, likewise supplied by the Department and the same society to the Dairies of Ponte Valtellina (Sondrio), Cantello-Ligurno (Como), Regoledo (Como), Cerete Alto (Bergamo), Vendrogno (Como), Ello (Como), Blessagno (Como) and Cologna al Serio (Bergamo). Other societies received bronze medals and encouragements.

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2. — THE NATIONAL CREDIT INSTITUTE FOR CO-OPERATION. — This Institute, which was founded in 1913 for the purpose of furnishing credit to the Italian co-operative societies, and to the establishment of which the principal credit institutes of the country (1) contributed voluntarily, began work on January 1st, 1914. Its principal business consists in making advances on current accounts to societies against orders to pay issued by public authorities or other credits against such authorities, and in discounting bills cheques and promissory notes on behalf of legally established co-operative societies and syndicates.

In addition to its regular business, the Institute may make unsecured advances to societies and syndicates provided that these are already doing a discount business with the Institute, have been working smoothly for at least three years, and satisfy the Institute as to the object of the loan and the time of repayment.

The capital of the Institute, on September 30th, 1914, amounted to 8,200,000 *lire*, and on the same date the loans outstanding amounted to 4,893,965.53 *lire*, distributed as follows:

Advanced against "orders to pay"	2,990,947.61	lire
Commercial paper discounted	1,165,459.97	,,
Advanced against the cession of various credit accounts	471,150.45	,,
Unsecured loans	266,407.50	,,
	4,893,965.53	

(1) The National Workmen's Old Age and Disablement Society, 2,000,000 *lire*; the Bank of Italy and the Credit Institute for Co-operative Societies at Milan, each, 1,000,000 *lire*. A number of ordinary Savings Banks and of People's Banks also contributed important amounts. On the origin and constitution of the Institute, see an article in the *Bulletin* of December, 1913, at page 28.

According to the type of society the advances were distributed thus:

Societies for production and labour	3,366,634.98	*lire*
Credit societies	1,132,537.64	,,
Co-operative distributive societies	80,587.80	,,
Agricultural co-operative societies	75,850.00	,,
Various co-operative societies	238,355.11	,,
	4,893,965.53	,,

Geographically the distribution was as follows:

Lombardy	1,506,581.09	*lire*
Latium	1,293,307.23	,,
Emilia	847,659.70	,,
Ligury	799,469.15	,,
Tuscany	252,585.23	,,
The Marches	86,546.33	,,
Venetia	59,816.80	,,
Piedmont	45,000.00	,,
Sicily	3,000.00	,,
	4,893,965.53	,,

The total of the discount transactions from January 1st to September 30th, 1914, was 8,904,164.91 *lire* (1).

The above are the principal operations of the National Credit Institute for Co-operation during the first nine months of its working. The transactions appear somewhat small in proportion to the growing credit needs of the Italian co-operative societies and, in fact, the societies, in a congress held at Reggio Emilia on November 4th, 1914, passed resolutions as follows:

(*a*) That the bye-laws of the Institute be modified without delay so as to enable it to undertake credit operations of all kinds in order to serve the needs of the different branches of the co-operative movement; and that the co-operative societies be admitted to form part of the Institute and be represented in its management;

(1) At present, in addition to the head-office in Rome the Institute has branch offices in Florence and in Genova (which have replaced the branch offices of the Milan Credit Institute for Co-operative Societies which formerly existed in these two towns) and has representatives in Mantua and Modena. Branch offices are being organised at Bologna, Verona, Padua, Ravenna, and Venice.

(*b*) That the Institute shall organise its work throughout Italy by the establishment of numerous branch offices (or if considered more advisable in certain cases and for certain districts) through local organisations duly empowered to act on its behalf in such a way that the work shall be carried on in accordance with the real needs of the various districts and the different branches of co-operation, and not upon rigid lines laid down by a central administration;

(*c*) That the Institute, in order to increase and improve the technical management of the Italian co-operative societies, shall co-operate with the National League of Co-operative Societies (Milan) in improving the system of collective statistics and intensifying the work of inspection and control;

(*d*) That while continuing to act with due caution, the Institute shall enlarge the sphere of its activities in such a way that it shall really meet the needs of the various branches of the co-operative movement and become the central banking institute of the Italian co-operative societies.

At the same Congress (1), which was promoted by the National League of Co-operative Societies and which was attended by the representatives of more than 450 societies distributed throughout every part of Italy, the complex question of providing credit for co-operative societies was submitted to a certain amount of discussion, and the Congress called upon the State to provide an immediate practical solution of the question by making adequate financial provision and passing appropriate legislation.

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3. — THE CONSTITUTION OF THE NATIONAL BANK OF THE ITALIAN RURAL SOCIETIES. — By decree of the Roman Court, of date of September 25th., 1914, the *National Bank of the Italian Rural Banks* has been constituted. This Bank, organised as a limited liability co-operative Society with unlimited capital, has for its principal object "the subvention of rural banks and other co-operative and mutual societies for the grant of credit to small farmers".

The following shall be members, on acceptance of the rules and, hereafter, on the Board of Management accepting their applications: (*a*) the rural or agricultural banks and kindred institutes affiliated to the National Federation of Italian Rural Banks with head quarters in Rome; (*b*) any individual person or incorporated body who can legally assume the obligations imposed by the rules.

Every member must: (*a*) pay five francs at date of presentation of his application; (*b*) purchase at least one share of the nominal value of 100 francs; (*c*) accept liability for all engagements of the institution up to the amount of his subscribed shares.

(1) That, namely, of Reggio Emilia. See *La Cooperazione Italiana*, the organ of the National League of Italian Co-operative Societies (Milan), No. 1112, November 6th, 1914.

The shares shall be inscribed and not transferable, nor can they be given in pledge or as security without the consent of the Board of Management. They shall serve to guarantee the Society for all obligations of any kind the member has towards it.

On the other hand, every member shall have a right; (*a*) to vote at the meetings, having one vote however many shares he possesses; and the shares of one member may never be more than fifty, (*b*) to share in the profits and, in case of liquidation, in the capital, in proportion to the number of shares subscribed and paid up. The interest paid to members shall not exceed 5 % on the nominal value of the shares. The rest of the profits shall be placed to the reserve fund.

There shall be ordinary and extraordinary members' meetings. The ordinary meeting shall be held every year not later than March 31st. At it, the report and balance sheet for the past year shall be presented for approval, the officers elected, and all the other items on the agenda discussed. At least ten members shall be required to form a quorum. Extraordinary meetings may be called when the Board of Management considers it advisable or on the demand of the Committee of Examiners of Accounts or twenty members.

The Bank is managed by a Board of Management, consisting of a president, two vice-presidents and eight counsellors. It may engage in any banking business, though transactions of a hazardous nature and speculation on the exchange are strictly prohibited.

Supervision in regard to the due observance of the rules, regulations and decisions of the society is entrusted to a college, consisting of three effective and two deputy examiners of accounts, who must also perform all the duties assigned to them by the Italian Commercial Code.

(Summarised from the Rules of the Bank in question, published in *Cooperazione Rurale*, Rome, No. 11 of November 30th., 1914).

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4. — STATISTICS OF THE AGRICULTURAL CO-OPERATIVE SOCIETIES OF SARDINIA. — Sardinian agricultural co-operation originated with the agricultural schools and itinerant agricultural lectureships, which, with the institution of many experimental farms, gave evident proof of the efficacy and utility of chemical manures and the new agricultural machines. With these experimental farms indeed sound propaganda began, and slowly but surely led to the foundation of the first co-operative societies. It was after the promulgation of the special law for the island that the agricultural co-operative societies began to work and multiplied, so that, while the first societies appeared in 1907, in 1913 there were already 152 working and united in a Federation.

This *Federazione delle Cooperative e Mutue agrarie della Sardegna* (Federation of Sardinian Agricultural Co-operative and Mutual Societies), with its headquarters provisionally fixed at Oristano (Cagliari), has recently published a complete statistical report of the situation of the Sardinian

Agricultural Co-operative Societies on December 31st., 1913. From this it appears that at that date there were 152 agricultural co-operative societies working, 106 in the province of Cagliari and 46 in that of Sassari, with a total of 13,525 members, all landowners and farmers.

In the Province of Cagliari there are 95 rural and agricultural banks (Co-operative societies of collective title), with a guarantee capital of 47,365,860 frs. and share capital of 36,921 frs., which have done business in agricultural loans to the amount of 1,744,967 frs. In a few years of work they have ammassed a reserve fund of 30,687 frs., which, with the profits for the year 1913, that is 28,342 frs., makes up an amount of 59,029 frs.

The rural and agricultural banks of the Province of Sassari although fewer in number, being 32 all told, have been very active. They have a capital of 22,181,184 frs. and have made loans to farmers to the amount of 453,738 frs.

The co-operative societies limited by shares have also been very active and, in the two provinces, with a capital of 265,588 frs., they have done business to the amount of 1,535,905 frs.

(Summarised from the *Statistica delle Cooperative agrarie della Sardegna*, above mentioned).

RUSSIA.

THE CENTRAL CREDIT INSTITUTE OF THE RURAL CO-OPERATIVE BANKS AND CO-OPERATIVE CREDIT IN FINLAND.

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In an earlier number of this Bulletin, we had an opportunity of showing the quite special nature of the origin and development of co-operation in Finland (1). Whilst in most other countries the co-operative movement developed upwards by means of spontaneously created local co-operative societies, later uniting in Federations, in Finland, on the contrary, the movement was in the opposite direction: it extended from above downwards, from the centre to the periphery, in accordance with a general plan established beforehand and carefully prepared in all its details.

First of all a single central organization was formed: the "*Pellervo* (2) *Society for the Promotion of Rural Co-operation in Finland*", and it is on the initiative of this centre, on its immediate suggestion and under its systematic direction, that the various kinds of local co-operative societies and even their federal organizations were formed later.

In the present article we propose to trace in outline the beginnings of credit co-operation on these lines in Finland, its development and the results obtained by it in the first ten years of its activity, that is to say in the period 1903-1913.

§ 1 Origin and foundation of the central credit institute.

The definite constitution of the "Pellervo" dates from October 2nd., 1899. Even before that year was over, the Board of Management of the young Society had already decided to try to organize a whole system of co-operative associations, quite specially intended to meet the requirements of agricultural credit for working expenses, that is to say of short term agricultural credit.

The experience of other countries having shown that an organisation of this kind had no serious chances of success unless supported from the start by a central institution capable of providing the local credit societies with the necessary funds and supervising their action and operations, it was decided to begin by creating such an institution.

On January 4th., 1900, the "Pellervo" instructed a special committtee to make out a detailed programme. Two months later, the Diet of the Grand Duchy had already occupied itself with the matter and on the favourable report of the Commission formed, the States unanimously adopted a resolution to the effect that: "in case of a central institution being formed on private initiative to meet the needs of the farmers for credit through the medium of local co-operative credit societies, such an institution should be subventioned and supported by the State."

As soon as this result had been obtained, the "Pellervo" founded a second committee which, in anticipation of the Imperial approval of the de-

(1) See *Bulletin of Economic and Social Intelligence*, September, 1911.

(2) "Pellervo" is the name given in the Finnish mythology to the Divinity who protects the fields and crops.

cision of the Diet, was to prepare and draft the rules of the proposed institute so that it might initiate its work without delay.

According to the original idea of its promoters, the proposed institution was to be the property of the local credit banks which gradually arose. But in order to put the institution at once in working order, it was decided, until a sufficient number of these banks had been formed, to give it provisionally the form of a society limited by shares. The share capital and the amount of shares were to be fixed so as to allow even farmers who were not rich to take part from the first in this enterprise, founded expressely for their benefit. The institution once firmly established, the shares of the foundation members were gradually bought up by the local credit banks, to which the economic assistance of the institution was only granted on condition of their purchasing a number of shares in proportion to the credit granted them (1).

The Imperial approval of the decision of the Diet, which guaranteed the Institute the material support of the State, was given on June 20th., 1901. On September 1st. of the same year, the first " Law on Co-operative Activity in Finland ", came into operation. This was also due to the initiative and the efforts of the " Pellervo ". On the 4th. of the same month, in conformity with the provisions of this new law, the rules prepared by the committee above mentioned were submitted to the approbation of the Senate, which in Finland answers to the cabinet in other countries.

Now arose a serious difficulty.

In accordance with the intentions of the founders, in the draft rules submitted to the Senate the proposed institution was given the character of a Bank with right to conduct all operations within the competence of banks generally, with the sole restriction that it might only grant credit to legally constituted co-operative banks. In giving the institution this form, it was intended to ensure it the possibility of forming at least a part of its working capital either by means of special deposits or by the issue of bonds.

Now, the Senate opposed this on the ground that the law on banks absolutely forbade any kind of State subvention of them even under the form of a loan on favourable conditions. And as it was perfectly evident that the proposed institution could not in any way dispense with such a loan or an annual subvention, it was necessary to refrain from giving it the character of a bank.

Then, after long and exhaustive discussion, the founders resigned themselves to the restriction of the sphere of action of the projected institution and to its inclusion among societies limited by shares. The rules were consequently reconsidered and again submitted for approval to the Senate, which this time had no objection to offer. On March 6th., 1902, approval was officially given and on the fourteenth of May following the constituent meeting of the " Central Credit Institute of Co-operative Credit Societies of Finland, Society Limited by Shares ", was held.

(1) See below: § 2. Rules of the Central Credit Institute.

The rules of this society presenting interest on many grounds, we shall summarise them below in the form they have now assumed, which differs from that originally approved only by some slight changes in detail introduced in the course of the year 1911.

§ 2. Rules of the Central Credit Institute of the Co-operative Banks of Finland (1).

The "Central Credit Institute of Co-operative Banks of Finland" (in Swedish "*Andelskassornas Centralkreditanstalt*" and in Finnish "*Osuuskassojen Keskuslainarahasto*"), is a society limited by shares, with headquarters at Helsinki (Helsingfors), the object of which is to supply, through the medium of co-operative banks, the credit requirements of the rural population and in particular of the small land holders (§§ 1-3).

The Society only grants credit to the rural co-operative banks, legally constituted on the basis of the unlimited liability of their members to pay calls (2), and undertaking to regulate their action in accordance with the principles laid down by the Central Institute and to submit in all things to its constant and active supervision. As a rule, the sphere of action of these co-operative societies must not exceed the limits of one of the rural communes (§ 4).

The funds needed for the business of the Institute consist of:

(1) the foundation capital;

(2) deposits made by the associated banks;

(3) loans contracted;

(4) subventions granted by the State, either directly or under the form of loans on favourable terms;

(5) amounts collected by the co-operative banks by means of deposits made in stamps.

The foundation capital of the Institute consists of 300,000 Finland Marks (3), in 3,000 shares, letter "A", of 100 marks each, reserved to the foundation members. This capital may be raised to 1,000,000 marks, by issue, at dates and for amounts fixed by the Board of Management, of shares, letter "B", only to be conceded to co-operative banks or members of the Board of Management of the Society, the inspectors or their substitutes. These shares shall be all inscribed (§ 7).

The shares of series "A" shall be gradually redeemed from the moment at which a special fund (Fund "A"), formed for the purpose, which we shall consider later on, reaches the amount of 50,000 marks. Every

(1) The figures given in parenthesis refer to the paragraphs of the original Rules.

(2) That is to say, on the basis of the kind of liability known in Germany under the name of "*Unbeschränkte Nachschusspflicht*".

(3) The Finland *Mark* (in Finnish *Markka*) of 100 *pennis* corresponds exactly in value with a franc.

year at least 200 and at most 400 shares must be redeemed, being drawn for by lot, if on the first of October the number of shares fixed has not been redeemed in any other way (§ 10).

Any co-operative bank which applies for credit to the Central Institute must undertake to purchase one of the Society's shares for every 5,000 Marks (or fraction of that amount) of credit granted by the Institute. If one or more of the shares acquired in accordance with this regulation belong to series " A ", they shall be immediately exchanged for an equal number of series " B " (§ 12).

The Society has a Board of Directors and a Board of Management.

The Board of Directors is composed of six members and six substitutes, all elected for a period of three years, the appointment of two of each class terminating every year in turn. The members of this board or their deputies may be elected also from among persons extraneous to the society, on condition, however, that they engage to acquire thereafter at least one share in the Society (§ 15).

The Board of Directors selects and appoints the Manager as well as two councillors to form the Board of Management, all three of whom may be dismissed by the Board of Directors. It also fixes the number of the employees of the Institute, and settles the regulations in accordance with which they are appointed or dismissed, as well as the remuneration they receive (§ 18).

The Board of Directors lays down general rules for the action of the Institute. It supervisies this action and arranges for its development in accordance with the laws, the rules of the society and its interests. It has the entire supervision of the action and business of the Institute. Finally it calls the general meetings of the society and prepares the programme for discussion at the meetings (§ 18).

The Board of Management of the Institute consists, as we have just seen, of a Manager and two councillors. Questions of credit can only be dealt with by the Board in full meeting. All other matters relating to the management of the Institute are dealt with by the Manager alone, who also has to sign all acts on behalf of the Institute (§ 14).

The Manager and the two councillors attend the meetings of the Board of Directors with right to speak but not to vote. They may, however, vote in regard to the rate of interest charged by the Institute or the balancing of the accounts (§ 19).

The business year corresponds with the civil year, the annual report of the Manager must be submitted to the Board of Directors at latest on February 10th., and the three examiners appointed each year must present their general report at latest on March 15th. (§ 22).

Out of the eventual profits, when the accounts for the year are closed:

15 % shall be placed to the Reserve Fund ;

25 % to a Special Fund for redemption of Shares of Series " A ".

These once redeemed, the payments into the special fund will be continued until it amounts to 20,000 Marks, after which they will only be made in the proportion necessary to keep it at that figure.

These deductions made, the rest of the profits shall be distributed among the shareholders at the maximum rate of 4 ½ % per share. An additional maximum amount of 1 % may be granted on shares of series " A ", if the amount to be distributed suffices for this (§ 23).

All amounts remaining available after this distribution shall be paid into the reserve fund, or — from the moment this amounts to 1,000,000 marks — placed at the disposal of the general meeting of the shareholders of the Society. The latter may not in any case raise the interest of the Society's shares beyond the limits indicated (23).

Every shareholder may attend, either in person or by proxy, the ordinary general meetings, which must be held every year before the seventh of April, as well as the extraordinary general meetings, called whenever the Board of Management judges advisable (§ 26). The voting rights are as follows:

	1 or 2	shares	give	right	to	one	vote	
From	3 to 5	,,	,,	,,	,,	2	votes	
,,	6 ,, 10	,,	,,	,,	,,	3	,,	
,,	11 ,, 20	,,	,,	,,	,,	4	,,	
,,	21 ,, 40	,,	,,	,,	,,	5	,,	
	41 or more	,,	,,	,,	,,	6	,,	

Proxies vote in accordance with the number of shares they represent (27).

§ 3. Constitution of the central credit institute.

1. *Share Capital.*

Long before these rules were approved, the founders of the new institution had already initiated a whole series of measures to ensure the collection of the capital required for beginning operations.

It was hoped there might be found among the agricultural classes the necessary number of foundation shareholders, and, consequently, subscription lists were circulated only in the rural communes of the country. The hopes founded on the interest of the agricultural population were, however, completely deceived, and, to obtain the number of foundation shareholders absolutely necessary, appeal had to be made to the town population and particularly to the intellectual classes. They, fortunately, responded with an enthusiasm exceeding the most hopeful anticipations and, thanks to them, the matter could be brought to a happy conclusion.

Of the 1,360 shares of Series " A " (that is to say shares reserved to the founders) subscribed at the date of the definite constitution of the society, there were :

606 or 44.6 % subscribed by professors, functionaries etc.,
131 ,, 9.6 % ,, ,, manufacturers or traders,
606 ,, 44.6 % ,, ,, farmers,
17 ,, 1.2 % ,, ,, rural associations.

And even among the farmers included in this list there was a large number of townsfolk possessing country residences, and large land holders, comparatively very little interested immediately in the success of the undertaking.

We see the subscription of classes extraneous to the society, that is to say of those contributing out of a purely impersonal interest in this eminently patriotic work, considerably exceeds that of the classes the prosperity of which was especially contemplated in this bold undertaking of the " Pellervo. "

The purely disinterested character of the subscriptions made by the urban and intellectual classes is seen also in the fact that at the end of the period with which we are concerned, that is to say after ten years, when the founders' shares of the society were already an excellent investment (1), three hundred and twenty or more than half the shares of this class had been already voluntarily transferred by their owners to local credit societies founded on the initiative of the institution, without it being necessary to have recourse to the drawings contemplated in the rules.

2. *Working Capital.*

At the same time as it was forming its share capital in this way, the Society, definitely constituted on May 14th., 1902, instructed its Board of Directors to take the necessary measures to obtain the State support promised by the Diet both under the form of an annual subvention and of a loan under conditions for repayment and at a rate of interest as favourable as possible.

On the favourable recommendation of the Senate, the Emperor and Grand Duke approved both on May 12th., 1903 and on June 4th. of the same year, the conditions on which this assistance would be granted to the society were definitely settled.

The Central Institute of the Co-operative Banks of Finland in the first place received an annual subvention of 20,000 Finland Marks (that is to say, 20,000 francs) as contribution to its working expenses. In addition, a credit of 4,000,000 Finland Marks was granted out of the State funds, to be drawn as required in amounts not to exceed 500,000 Marks at a time. The rate of interest for this credit was fixed at 3 %. In regard to the instalments for repayment, which were not to be exacted before 1909, at

(1) See below; § 8 Conclusion.

which date it was anticipated the whole credit would be exhausted, they were fixed at ½ % per ann.

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The necessary funds for the initiation of its work being thus assured, and all other preliminary steps having been brought to a satisfactory conclusion, the Society of the Central Credit Institute of Finland Co-operative Banks could, on July 14th., 1903, be legally entered on the Commercial Register, and, the staff chosen in advance having taken posession of the offices prepared by the " Pellervo ", the Institute was able in the following month to initiate the series of its operations.

§ 4. Origin and development of the local co-operative credit banks.

In Finland, as indeed everywhere else, the principle of co-operation in regard to credit only received its practical application by means of the creation of local co-operative banks, as a consequence of intense and persistent propaganda. Inaugurated by the " Pellervo " at the moment of its foundation by means of lectures and publications of every kind, this propaganda at first gave comparatively unsatisfactory results. At the end of 1903 there were still only 24 local co-operative banks legally registered for the whole of Finland, while the numbers of the distributive co-operative societies and the co-operative dairies, for example, — in favour of which, however, the propaganda had been infinitely less energetic — were already, in the first case, 66, and, in the second, 75.

The announcement that the subvention in favour of the Central Institute of Finland Co-operative Credit Societies had been granted by the Government, which placed the Institute in a position in its turn to grant subventions to local co-operative banks, gave a new impulse to the foundation of the latter. During the next year, 1904, no less than 63 new co-operative banks were registered in the different regions of the country. This unexpected development led the promoters of the movement into the error of considering it definitely started and its success assured. The " Pellervo ", which, with its limited resources, could hardly satisfy the requirements of the other branches of its activity, thought it could economise in regard to the propaganda in behalf of co-operative credit. The consequences of this economy were immediately felt. In the next two years, the number of newly registered local co-operative banks decreased to 51 in 1905 and was only 35 in 1906.

In view of this irrefutable proof of the importance of continuous and assiduous propaganda, the " Pellervo " immediately resumed its courses of lectures and its publications, completing the work by the introduction, into

the rules regarding the loans made by the Central Institute to the local co-operative banks, of certain facilities, of very little importance, however.

And again the effect was immediate, proving once more the importance of well understood propaganda for the practical progress of co-operative credit. In 1907 the number of new co-operative banks entered on the Commercial Register again rose to 64, in 1908 to 68 and in 1909 it was as high as 77.

From this moment a change was observable in the evolution of co-operative credit in Finland. On the one hand, certain difficulties, which we shall have occasion to consider later on, arose in regard to the grant of a second loan from the State when applied for by the Central Credit Institute, and the consequent uncertainty in regard to the future obliged the Institute considerably to limit its business. On the other hand, the progress, perhaps comparatively too rapid, made by the local co-operative banks in the above three years had caused some disorder in their administration, which obliged the Central Institute to make the conditions for credit to banks, above all those for supplementary credit, very justifiably more severe. These two circumstances, together with the unrest and general uncertainty in regard to political finance, caused by certain differences of opinion between the Diet of Finland and the Russian Government in regard to matters that do not come within the scope of the present study, induced the " Pellervo " again to limit its propaganda in behalf of a class of co-operative societies, the further natural development of which seemed, at least for the moment, to be seriously compromised by the uncertainty in regard to the matter of the grant of the second Government loan to the Institute.

Under these conditions, the number of new local co-operative societies registered soon decreased again very considerably. In 1910 only 33 new ones were registered in the Commercial Register, in the next year the number was reduced to 25. Finally in the last year of the period with which we are here concerned, that is to say, 1912, it was only 11.

Altogether, on January 1st., 1913, the total number of local co-operative banks registered in Finland since the beginning of the movement was 453. Of this number, 399 had been financed by the Central Credit Institute. Of the remaining 54, 22 were unable to apply for credit to the Instiute as they did not yet satisfy the conditions imposed, 7 could not obtain assistance from it as they were not exclusively rural banks, and the applications of the others had been refused for one reason or another.

We see then that there was no voluntary renunciation on the part of the banks of the credit offered by the Central Institute. If it was not obtained, it was always owing to some defect, either simply to an imperfection in the organization or in the management of the business of the banks themselves. All those the management and organization of which were in conformity with the rules based on experience laid down for the serious and solid constitution of a rural credit co-operative bank had recourse to the good offices of the Central Institute. So we need, in all the rest of this study, only take these into consideration, neglecting those the Central Institute did not think it should or could subsidise.

So much said, the 399 banks we have to consider in this essay, were distributed as follows in the various provinces on January 1st., 1907 and 1913 respectively.

	Number of Banks in 1907	Number of Banks in 1913
Province of Nyland	3	10
» » Åbo and Björneborg	8	19
» » Tavastehus	2	9
» » Uiborg	60	126
» » St. Michael	7	37
» » Kuopio	35	116
» » Vasa	14	31
» » Uleåborg	19	51
Finland . . .	148	399

§ 5. Loans made by and to the Central Credit Institute.

(A) *Loans Received.*

We saw above that on May 12th., 1903, the Emperor Grand Duke accorded to the Central Credit Institute out of the Government funds, a credit of 4,000,000 Finland Marks, to be granted as required in amounts not exceeding 500,000 marks each. The rate of interest fixed was 3 %, to which there was to be added from the year 1909 an annual instalment of ½ % towards repayment of the loan.

The capital thus placed at the disposal of the Central Institute not having been entirely drawn in 1909, the Government permitted that the instalments for repayment should begin only in 1912. By January 1st., 1913, on which date the period with which we are occupied closes, therefore, only a single instalment had been paid (20,000 Finland Marks) and the debt of the Institute to the State remained altogether 3,980,000 Finland Marks.

In view of the approaching exhaustion of the credit represented by this first State loan and the consequent necessity of providing for future requirements, the Central Credit Institute applied, at the beginning of the year 1908, for a second credit out of the State funds, for a total amount of 5,000,000 Finland Marks, in instalments of 1,250,000 Marks a year in the years 1910, 1911, 1912 and 1913. In consequence of differences arising between the Finland and Russian authorities in regard to the investment of the funds

of the State, the Government considered it could only grant the first instalment of 1,250,000 Marks of the loan applied for, without refusing to grant the three others in due course, should the general state of the finances permit. With regard to interest and repayment the conditions were similar to those for the first loan.

In view of the uncertainty of future continuous assistance from the State, this solution could not satisfy the Board of Management of the Central Credit Institute and new negotiations were entered into in regard to the matter, which had led to no positive result by January 1st., 1913.

Meanwhile the Institute decided to reduce its business, and so it was able, within the period we are considering, to limit the amount actually drawn of the first annual instalment of the second loan granted by the State to 100,000 Marks.

Adding to the above an amount of 2,000 Marks received by the Institute out of the State assistance funds for a special loan to a commune suffering by famine, we find that the total debt of the Central Credit Institute to the State was on January 1st., 1913, 4,080,000 Finland Marks.

(B) *Loan Service.*

1. *Conditions on which the Institute lends.*

The Central Credit Institute of Finland Co-operative Banks only grants loans to those co-operative credit banks which are strictly rural in character and the members of which engage in writing to accept that form of unlimited liability to pay calls, known in Germany under the name of "*unbeschränkte Nachschusspflicht*".

The conditions necessary in order that this collective engagement may be considered by the Institute as really effectual and valid are the following :

(1) Except in special cases, the co-operative banks, before they can obtain material assistance from the Institute, must have at least 15 members.

(2) Amongst these members there must be a certain number of more or less wealthy landholders.

Further and above all in cases of supplementary loans, the Institute takes into special consideration the amount of the capital formed and owned by the bank.

Finally, before granting a loan to a co-operative bank or opening a credit for it, the Central Institute always sends an expert to the locality to study the general and social conditions, especially in regard to agriculture and education. The expert in question must also present a detailed report with regard to the various members of the bank and especially of the Board of Management as well as the accountant and the cashier.

As an appendix to the present article we give a translation *in extenso* of the General Conditions on which the Central Credit Institute grants loans to Local Co-operative Banks" (1).

(1) See the appendix to the present article.

In the following table we give the number of members of the local co-operative banks that have received credits from the Central Institute, as well as the amount of the annual income and the assets of the members.

TABLE I. — *Total Number, Annual Income and Assets of the Members of the Co-operative Credit Banks*

Years	Number of Banks	Number of Members Registered with the Banks		Annual Income of Members According to the Register of Taxation		Estimated Assets of Members	
		Total	Average per Bank	Total Fmk. (1)	Average per Member Fmk.	Total Fmk.	Average per Member Fmk.
1903	8	253	32	332,010	1,378	1,918,250	7,960
1904	57	1,724	30	1.930,352	1,232	11,861,195	7.569
1905	119	3,662	31	3,275,056	1,062	18,703,785	6,063
1906	143	4,930	34	4,257,028	994	23,885,090	5,575
1907	206	8,231	40	6,463,098	920	35,942,370	5,115
1908	262	11,745	45	9,455,041	928	52,779,680	5,183
1909	336	15,688	47	11,204,495	832	71.239,644	5,293
1910	370	17,404	47	12,576,162	824	83,790,804	5,490
1911	397	15,546	47	14,037,702	841	95,442,201	5,718
1912	399	—	—	15,203,731	819	110,687,678	5,962

(1) Fmk. (or Smk.) is the official abbreviation of the expression Finland marks.

We show below the social position and profession of the members of the Local Banks in 1905 and 1910.

TABLE II. — *Social Position of the Members of the Credit Co-operative Banks.*

Year	Total Number of Members Supplying Information	Agricultural				Not Agricultural			
		Landholders	%	Tenant Farmers	%	Artisans	%	Members of the Intellectual Classes	%
1905	3,912	2,985	76.3	576	14.7	140	3.6	211	5.4
1910	15,319	10,768	70.3	3,915	25.6	400	2.6	236	1.5

2. Amount of Credit Granted by the Central Credit Institute to the Local Co-operative Banks.

The first credits opened to a local co-operative bank of recent creation, or managed by persons still new to the work are of course comparatively small : between 3,000 and 5,000 Finland Marks.

As a rule, supplementary credits are only granted to these local banks after at least one general inspection by the Central Institute.

The amount of the credits of this latter class increases in proportion as the bank gives proof of solidity and good administration.

In addition to these general principles, the grant of credit to local banks is regulated on the following lines :

The amount of the loans granted to them must not, as a rule, exceed that of 300 Marks multiplied by the number of members of the Bank.

The maximum total amount of loans granted to one and the same co-operative bank must not exceed half the total amount of the annual income of all the members of the bank.

Finally, this maximum amount of loans must not be more than 10 % of the total amount of the personal assets of all the members of the Bank.

When the Institute began its operations, the Board of Directors further stipulated that the loans made to any local co-operative bank must never exceed a total amount of 10,000 Finland Marks. Today all limits have been suppressed and full liberty in the matter is left to the Board of Management of the Institute.

The two following tables show the development of the credit granted in the first ten years of its life by the Central Credit Institute to the local co-operative banks :

TABLE III. — *Amount of Credit Annually Granted to the Local Banks by the Institute.*

Years	Number of Banks Assisted	Credit Applied for — Fmk. (1)	Credit Opened					Credit Profited by			
			Total — Fmk.	Average per Bank — Fmk.	Average per Member of Bank — Fmk.	% of the Annual Income of Members — Fmk.	% of the Assets of Members — Fmk.	Total — Fmk.	Average per Bank — Fmk.	Average per Member of Bank — Fmk.	% of Credit Opened — Fmk.
1903	10	114,000	79,000	7,900	328	23.8	4.1	41,950	4,195	174	53.1
1904	69	629,800	428,700	6,213	274	22.2	3.6	264,083	3,827	169	61.6
1905	119	1,015,300	833,750	7,006	270	25.5	4.5	622,663	5,232	202	74.7
1906	148	1,384,050	1,225,350	8,279	286	28.8	5.1	948,501	6,652	230	80.3
1907	210	2,302,550	2,068,050	9,848	294	31.4	5.8	1,705,968	8,124	243	82.5
1908	268	3,688,830	3,257,650	12,155	320	34.5	6.2	2,878,086	10,739	283	88.4
1909	340	5,490,380	4,000,650	11,767	297	35.7	5.6	3,662,519	10,772	272	91.5
1910	374	6,524,830	4,388,000	11,733	288	34.9	5.2	3,867,089	10,340	253	88.0
1911	398	7,134,300	4,738,600	11,906	284	33.8	5.0	3,931,832	9,879	236	83.0
1912	399	7,712,700	4,990,100	12,507	269	32.8	4.5	4,113,103	10,309	222	82.4

(1) Fmk. (or Smk.) is the official abbreviation of the expression Finland Mark.

This table shows us in the first place that the Institute is less and less able to satisfy all the needs of the banks for credit. It shows us also that the average amount of credit granted per bank increases annually, but that in proportion to the share of each of the members or the amount of their income or of their assets, this average has been appreciably lower in the later years of the period considered, and since 1908 it has remained constantly less than was stipulated in the provisions.

TABLE IV — *Distribution of the Local Banks according to the Amount of Credit Granted to them between* 1903 *and* 1913.

Years	Number of Banks to which Credit was Opened	Distribution of the Banks, according to the Amount of Credit Granted.						
		Less than 3,000 Fmk.	Between 3,000 and 5,000 Fmk.	5,000 Fmk.	Between 5,000 and 10,000 Fmk.	10,000 Fmk.	Between 10,000 and 20,000 Fmk.	20,000 Fmk. and over
1903 . . .	19	—	2	2	2	3	—	1
1904 . . .	69	5	16	18	18	9	1	2
1905 . . .	112	7	24	31	29	13	11	4
1906 . . .	148	6	22	26	48	22	15	9
1907 . . .	210	7	18	38	62	25	44	16
1908 . . .	268	7	20	25	70	35	68	43
1909 . . .	340	9	31	39	86	36	88	51
1910 . . .	374	8	36	37	101	31	106	55
1911 . . .	398	8	35	36	109	38	111	61
1912 . . .	399	6	32	32	92	45	124	68

From the figures in this second table it appears that whilst the number of small credits tends to decrease, that of large credits, on the contrary, increases from year to year in very considerable proportion. At the end of the period here studied, the most considerable credits granted by the Central Credit Institute to the local co-operative banks were for 50,000 and even 60,000 Finland Marks.

3. *Objects for which Credits were granted to Local Banks.*

At the start the Central Credit Institute only granted credit to the local co-operative banks in order to enable them to grant their members short term loans of amounts not exceeding 2,000 Finland Marks, exclusively for the improvement of purely agricultural holdings.

This rule was first deviated from in January, 1908, when the Board of Directors of the Institute decided that it would in the future be able to grant mortgage loans on the security of growing forests, thus enabling the proprietors to wait for a more favourable moment, or until the trees had time to grow, before working the forests.

In March, 1912, the original rule was further departed from. The Board of Directors then decided that the Institute might grant credits to enable the local banks to make long term loans, in case such loans were applied for in order to facilitate the cultivation of holdings still uncultivated.

Finally, in December, 1912, detailed rules were drawn up for the grant of credit for loans for the organization of the co-operative sale of the farm produce of the members of the local co-operative banks.

Unhappily, the uncertainty referred to above in connection with the grant to the Central Credit Institute of a second loan out of the State funds obliged the Board of Directors of the Society to renounce, for the moment at least, any idea of the further extension of the sphere of action assigned to the Institute at its foundation; and no credit for any of the three new purposes mentioned could actually be accorded, except in the single instance of a mortgage loan on forests, approved before there was any ground for thinking that the second State loan would be more difficult to obtain than the first.

4. *Rate of Interest.*

We saw above that the Central Institute pays an annual interest of 3 % and an instalment of ½ % for repayment of the loan or altogether 3 ½ % on the amounts placed at its disposal by the State. Under these circumstances and in consideration of the general economic situation at the beginning of its action, the Institute fixed the interest to be paid by the local co-operative banks for the loans granted them at 4 ½ %.

The general economic situation, however, improving and the business of the Institute progressing very satisfactorily, the Board of Directors thought that they could lower the rate of interest, from May 1st., 1906, to 4 %. But it was unhappily impossible long to give such favourable conditions.

On the one hand, the current rate of interest having risen generally in the whole country, the singularly advantageous conditions offered by the Institute led to abuses on the part of certain banks, and it was necessary to prevent these becoming general. On the other hand, the difficulties that arose in regard to the second State loan and the consequent uncertainty in respect to the future urged the society in the direction of prudence and economy. In consideration of these circumstances, the Board of Directors decided to return to the original rates and from June 1st., 1909, 4 ½ % was again charged. This remained the rate for all the rest of the period with which we are concerned.

§ 6. Work of the local co-operative banks.

We saw above that the Central Institute only grants credits to local banks after a minute and strict investigation into the general conditions of their organization, their working and their solvency. After the grant of credit has been made, the vigilance of the Central Institute only increases and for every amount the local banks draw of the credits opened to them

they must present a report, showing the members to whom they intend to lend, the amount and period of the loans, the conditions for repayment and, above all, the object for which the loan is granted. It is only after the Board of Management has approved all the details of this report that the amount applied for is paid over to the Bank.

Now this approval is only given when the following conditions have been accepted by the Board of Management of the local bank:

(1) A loan can only be granted for the improvement of the business of the borrower himself;

(2) The amount is only to be paid at the moment when it is to be employed for the object intended;

(3) The loan must not exceed the amount strictly necessary for the object;

(4) The term of the loan must not exceed that strictly necessary in order that the borrower may derive the benefits for his business, for the purpose of which the loan was made;

(5) The conditions for repayment must be as easy as the local circumstances, the character of the work contemplated and the individual situation of the borrower permit.

A few tables will show, better than long explanations, what progress has been made by the local co-operative banks, during the period we are studying, under this strict supervision on the part of the Central Institute.

TABLE V. — *Number and Total Amount of the Loans Granted by the Local Banks.*

Years	Number of Banks Furnishing Information	Amount of Loans		Number of Loans		Average Number of Loans Granted
		Total in Fmk.	Average per Bank in Fmk.	Total	Average per Bank	
1903	8	41,220	5,153	203	25	203
1904	55	276,745	5,032	1,661	30	167
1905	118	549,408	4,656	3,906	33	141
1906	136	666,516	4,901	4,700	35	142
1907	197	1,240,359	6,296	7,497	38	165
1908	252	2,180,915	8,654	11,774	47	185
1909	332	2,199,401	6,625	13,827	42	159
1910	353	2,137,668	6,056	15,589	44	137
1911	390	2,491,104	6,837	18,104	46	138

Here, as in the preceding tables, we see the effects of the crisis caused in 1909 by the uncertainty as to the grant of the second Government loan

to the Central Institute. The applications for credit, and the total amount of credit granted, whether by the Central Institute or by the local co-operative banks increased continually and regularly. On the other hand, the amounts of the loans granted were, for this reason, necessarily reduced. On the expiration of the period we are studying the average was, we see, 138 Finland Marks per loan. In Austria the corresponding average was at that date 260 Fmk., in France, 779 Fmk., and in Germany it reached the amount of 961 Fmk.

We shall now give the total figures for the distribution of the loans granted by the local co-operative banks according to the term allowed for their repayment :

TABLE VI. — *Terms for Repayment of Loans Granted by the Local Banks.*

Years	Number of Loans Granted for			Percentage of the Various Classes of Loans		
	1 Year or less	Between 1 and 3 Years	Over 3 Years	Loans for 1 Year or less	Loans for between 1 and 3 Years	Over 3 Years
1903	110	67	26	54.2	33.0	12.8
1904	643	785	233	38.7	47.3	14.0
1905	1,467	1,857	582	37.6	47.5	14.9
1906	1,608	2,471	621	34.2	52.6	13.2
1907	2,028	3,864	1,605	27.1	51.5	21.4
1908	2,931	6,269	2,574	24.9	53.2	21.9
1909	3,499	7,664	2,664	25.3	55.4	19.3
1910	3,625	9,124	2,840	23.3	58.5	18.2
1911	5,028	10,256	2,820	27.8	56.6	15.6

We see that from 1909 there has been a very marked tendency to reduce as far as possible the number of long term loans. This is not only due to the difficulties caused by the often mentioned crisis originating in connection with the grant of the second Government loan, but also, and even chiefly, to the systematic action of the Central Credit Institute, opposed on principle to long term loans.

If now we classify the loans granted by the local co-operative banks according to the objects for which they were granted, we obtain the following figures :

TABLE VII. — *Object of the Loans Granted by the Local Banks.*

Years	Total Number of Loans Granted	Percentage of Loans for Different Objects				
		New Crops and Farm Improvements	Purchase of Implements, Machinery, Manures etc.	Purchase of Livestock	Building	Miscellaneous
1903	203	28.6	19.2	16.7	7.9	27.6
1904	1,661	44.8	24.6	14.9	9.9	5.8
1905	3,906	41.5	25.5	16.6	12.2	4.2
1906	4,700	39.8	23.0	16.0	16.1	5.1
1907	7,497	42.2	21 2	14.5	16.2	5.9
1908	11,774	38.9	18.1	13.8	17.2	12.0
1909	13,827	43.1	18.0	11.6	18.4	8.9
1910	15,589	41.2	18.9	12.7	18.3	8.9
1911	18,104	38.0	25.8	11.3	18.1	6.8

At the commencement of our period, the loans granted for purchase of livestock and those for miscellaneous purposes were far more numerous than afterwards. The decrease is due to the severity of the Central Institute, which, finding that this group of loans often gave rise to abuses of various kinds, decided to engage the local banks only to grant them under conditions of quite special supervision. Similar instructions have been given to the banks in regard to loans for building, the Central Institute considering as more or less unproductive a large number of these undertakings, especially those only intended for the improvement or embellishment of the farmers' dwellings. Naturally, here also the strictness of the Central Credit Institute was largely due to the uncertainty with regard to the uninterrupted continuation of State assistance to the work of the society.

Let us now pass on to consider the fluctuations in the general business of the local co-operative banks, limiting our attention to its purely pecuniary business.

TABLE VIII. — *Fluctuations in the General Business of the Local Banks.*

Years	General Total of Business Done	Average Total of Business Done		Working Capital as Percentage of Total of General Business	Number of Banks of which the Total Business was						
		Per Bank	Per Member of Bank		From 1,000 to 5,000 Fmk.	From 5,000 to 10,000 Fmk.	From 10,000 to 25,000 Fmk.	From 25,000 to 50,000 Fmk.	From 50,000 to 75.000 Fmk.	From 75 000 to 100,000 Fmk.	100,000 Fmk. and over
1908	5,275,800	20,053	457	60	23	44	122	53	12	2	1
1909	6,228,351	18,622	398	67	25	70	174	51	11	3	1
1910	6,793,725	18,613	394	66	39	78	173	56	16	1	2
1911	7,309,418	18,742	399	64	40	85	175	74	13	1	2

Here we see better than anywhere else the paralysing effect of the uncertainty in regard to further State assistance. Since the large decrease observed in 1909 in the average total business both per bank and per member of the banks, there has not been any return to the earlier figures. The natural progress has been completely arrested and the inferior position of the Finland Banks as compared with those of other countries has only increased instead of diminishing. We give below the corresponding averages per Bank and per member in some other countries :

	General Business	
	per Bank	per Member
Germany (1910)	478,675	5,067
Austria (1907)	182,037	1,475
Bulgaria (1909)	63,304	883

We give below a summary of the balance sheets of all the local co-operative banks supplied by the Central Credit Institute for the period we are considering :

TABLE IX. — *Summary of the Balance Sheets of the Finland Co-operative Credit Banks.*

(A) *Credits.*

Year (Ending 31st. December)	Number of Banks Supplying Information	Assets				Total Assets	Losses
		Cash	Credits	Shares (*actions* and *parts*) in Central Co-operative Institutions	Stock		
1903	8	3,020.68	44,504.00	1,400.00	343.83	49,268.51	160.80
1904	57	15,977.90	272,928.83	7,009.95	1,227.52	297,144.20	1,678.27
1905	119	39,320.36	648,186.41	16,613.25	1,061.07	705,181.09	2,007.43
1906	139	60,593.35	968,415.46	22,804.25	1,194.52	1,053,727.58	912.26
1907	205	83,252.25	1,785,699.43	39,486.30	6,127.66	1,914,565.64	1,273.89
1908	259	125,708.43	3,010,217.16	62,878.55	10,000.17	3,208,804.31	1,383.73
1909	335	205,098.63	3,863,677.35	78,789.50	40,395.74	4,187,961.22	1,736.34
1910	366	195,991.74	4,197,044.40	87,887.68	44,806.03	4,525,729.85	2,607.79
1911	390	203,791.65	4,362,843.67	95,132.40	47,376.16	4,709,143.88	2,736.85

(B) *Debits.*

Year (Ending 31st. December)	Debits				Total Debits	Net Profit
	Subscriptions Paid	Reserve Funds and Available Amounts	Debt to the Central Credit Institute	Savings		
1903	1,519.00	208.10	47,328.19	205.75	49,306.04	123.27
1904	15,550.37	1,845.40	272,554.01	7,320.87	297,270.65	1,551.82
1905	42,959.87	5,938.77	642,725.93	11,189.40	702,813.97	4,374.55
1906	71,309.01	12,946.41	936,686.46	20,927.21	1,041,869.09	12,770.75
1907	119,405.45	30,304.56	1,702,633.29	43,495.40	1,895,838.70	20,000.83
1908	184,238.70	57,926.03	2,880,516.11	52,292.35	3,174,973.19	35,214.85
1909	269,427.92	99,585.88	3,723,884.39	59,803.54	4,152,701.73	36,995.83
1910	352,236.82	139,242.83	3,923,196.75	76,721.39	4,491,397.79	36,939.85
1911	428,925.60	180,636.95	3,951,747.51	106,674.93	4,667,984.99	43,895.74

§ 7. Management, supervision and inspection of the work of the local co-operative banks.

We have had occasion to point out above the strictness of the investigation the Central Institute has carried out before granting the smallest credit to a local bank. This investigation is, however, only the beginning of a constant assiduous supervision to which the bank has to submit from the moment it is effectively included among the customers of the Institute.

Let us observe next that, far from assuming the character of an inquisitorial control this supervision, on the contrary, takes the form of instructive guidance of the action of the banks. Its principal object is to obtain that the members of the board of management and above all the bookkepers and cashiers of the local cooperative banks may be competent for their work, acquainted with commercial bookkeeping, but also and above all with the principles of co-operation generally and the mechanism of co-operative credit in particular.

Starting with this idea, the Central Institute begins by placing at the disposal of those concerned everything needed to enable them to obtain the necessary knowledge. It furnishes every local bank dependent on it with bookkeeping manuals and forms gratis ; it sends it, also gratis, the " Suomen Osuustoimintalehti " (Review of Co-operation in Finland), supported and edited collectively by all the central co-operative institutions of the country, with a strictly educational object.

The Institute goes even further. Together with the other central institutions, it has founded and supports the Helsingfors Co-operative Institute, an advanced school, in which special courses are given, amongst them courses for bookkeepers and cashiers of the local co-operative banks. And as the complete courses, in a town where living is fairly dear, cannot be followed by all, the Institute organizes every year, in about ten other parts of the courtry, rapid courses of instruction not only for bookkeepers and cashiers, but also for members of the boards of management of the banks. And to facilitate a larger attendance at these courses, of course entirely free, the Institute gives every year from twenty to thirty bursaries to poor bookkeepers and cashiers who desire to attend them.

Let us finally add, that when the local banks are unable, for want of funds, to engage a really competent bookkeeper and cashier, the Institute endeavours to supply the need, granting the bank, either the whole or at least part of the amount required for the employee's salary.

Under these circumstances it is to be understood that the Institute cannot only desire but *require* that the management of the local banks should be more or less uniform in a technical sense and should not show too many or too serious defects when inspected by its order.

As a result of an agreement entered into between the Central Institute and the "Pellervo", most of these inspections are carried out by expert

teachers belonging to the "Pellervo". They are carried out on a uniform plan prepared in advance and all the details of the management of the bank are examined, and the result is communicated to the Board of Management of the Central Institue which studies them with particular attention.

According to the results of the inspection, the banks are classified as "good", to which special favours may be granted by way of encouragement, "fair", to which advice is given, and, finally, "badly managed", in respect to which more serious measures are taken, if advice, instruction and exhortation prove insufficient.

The coercive measures, to which the Institute may resort, in case persuasion is ineffectual, vary according to the seriousness of the case. If, for example, it is only a question of the keeping of the books, want of order and judgment in the grant of loans, want of energy in applying the regulations etc. the Institute limits itself to requiring that the banks engage another bookkeeper and cashier, or even appoint a new Board of Management.

If, on the contrary, there are more serious defects, or the same defects are found repeatedly in spite of the remarks of the inspectors and, if, finally, the former measures are not sufficient for the re-establishment of good order, the Central Institute may close its account with the Bank in fault, and take legal measures to obtain the immediate repayment of any amounts already lent.

It is seldom such extreme measures are resorted to. In the whole period with which we are concerned, it is true such action was sanctioned thirty two times. But it is well to observe that in twenty of these thirty two instances the banks concerned, at the last moment, took such steps that it was possible to renounce taking action. In the case of the twelve Banks against which action was really taken, when they found all credit denied them by the Central Institute, eleven of them wound up their business without the Institute suffering loss, and only one had to be declared insolvent at the instance of the Institute.

The examples thus made had salutary results. They greatly facilitated the work of education and purification undertaken by the Central Institute, and if, at the present moment, the Finland co-operative societies are generaly working in the most satisfactory way, it cannot be gainsaid that it is to the strict educative supervision of the Central Institute they largely owe it.

§ 8. Progressive development of the general business of the credit institute.

Let us close our study with the following tables, indicating the progressive development of the business of the Central Credit Institute during the first six years of its work.

TABLE X. — *Profit and Loss Account of the Central Credit Institute from* 1903 *to* 1912, *in Finland Marks.*

Years	Revenue						Expenditure							
		Particulars						Particulars						
	Total	Interest Collected	State Subvention	Profits on Bond Account	Bad Debts Paid	Miscellaneous	Total	Interest Paid	Salaries etc.	Working Expenses	Placed to Bad Debt Account	Repayment Instalments on Stock	Repayment Instalments on Other Accounts	Net Annual Profit
1903 . .	39,340.70	19,340.70	20,000.00	—	—	—	31,311.63	3,500.00	11,383.31	6,911.80	—	655.59	8,860.93	8,029.05
1904 . .	48,671.89	28,671.89	20,000.00	—	—	—	38,738.17	10,250.00	18,716.64	8,951.09	—	820.45	—	9,933.72
1905 . .	70,216.43	50,216.43	20,000.00	—	—	—	49,938.29	24,000.00	15,820.00	9,563.59	—	554.70	—	20,278.14
1906 . .	76,192.01	56,192.01	20,000.00	—	—	—	54,552.72	29,250.00	16,580.00	8,445.77	—	276.95	—	21,639.29
1907 . .	95,649.31	75,649.31	20,000.00	—	—	—	72,982.88	43,900.00	15,590.00	9,111.79	—	276.00	4,105.09	22,666.43
1908 . .	134,512.41	114,512.41	20,000.00	—	—	—	110,004.51	72,625.00	17,120.00	11,291.96	—	618.45	8,349.10	24,507.90
1909 . .	200,840.02	176,319.45	20,000.00	824.57	—	3,696.00	176,832.33	110,458.33	23,425.00	24,887.69	13,763.11	1,611.75	2,686.45	24,007.69
1910 . .	220,564.97	198,171.49	20,000.00	1,475.48	—	918.00	184,926.11	120,060.00	27,542.50	25,946.64	10,984.97	392.00	—	35,638.86
1911 . .	221,782.83	198,663.18	20,000.00	397.40	1,165.15	1,674.20	198,258.83	120,910.00	34,918.29	26,279.56	16,150.98	—	—	23,524.00
1912 . .	225,032.58	202,320.88	20,000.00	23.50	1,014.20	1,675.00	200,777.24	122,460.00	35,890.00	30,457.88	—	3,773.55	8,195.81	24,255.34

TABLE XI. — *Summary of Balance Sheets of the Central Credit Institute from* 1903 *to* 1912, *in Finland Marks.*

Years	Credits						Debits									Net Annual Profit
	Total	Particulars					Total	Particulars								
		Cash	Credits to Co-operative Banks	Deposits in Bank	Bonds and Shares	Stock		Share Capital	Reserve Fund	« A » Fund	Reserve Fund Against Bad Debts	Dividends not Drawn	Government Loans and Interest	Accounts not Settled	Profit and Loss Account	
1903	611,529.07	4.29	42,180.83	568,688.35	—	655.62	603,500.00	300,000.00	—	—	—	—	303,500.00	—	—	8,029.07
1904	1,126,087.79	207.01	270,088.49	854,971.84	—	820.45	1,116,154.07	300,000.00	1,204.36	2,007.27	—	—	808,025.00	100.00	4,817.44	9,933.72
1905	1,158,262.93	806.79	641,774.79	514,976.60	150.00	554.75	1,137,984.79	300,000.00	2,694.42	4,490.70	—	4,554.00	824,000.00	468.00	1,177.67	20,278.14
1906	1,475,953.22	143.74	978,017.64	210,422.86	287,091.98	277.00	1,454,313.93	300,000.00	5,736.14	9,560.24	—	7,823.00	1,129,250.00	—	1,944.55	21,639.29
1907	2,402,395.65	596.63	1,755,790.28	359,520.85	286,286.89	1.00	2,379,729.22	300,000.00	8,982.03	14,970.06	—	8,949.00	2,043,900.00	—	2,928.13	22,666.43
1908	3,443,324.55	41.10	,964,622.62	200,453.34	278,206.89	1.00	3,418,816.65	300,000.00	12,381.99	20,636.67	—	10,145.00	3,072,625.00	—	3,027.99	24,507.99
1909	4,505,983.18	753.70	3,802,437.07	413,944.14	288,847.27	1.00	4,481,975.49	300,000.00	16,058.17	26,763.65	13,763.11	11,971.00	4,110,458.33	—	2,961.23	24,007.69
1910	4,551,364.68	547.96	4,033,715.32	230,802.66	286,297.74	1.00	4,515,725.82	300,000.00	19,659.32	32,765.57	24,748.08	13,783.50	4,122,060.00	—	2,709.35	35,638.86
1911	4,678,063.16	6,539.12	4,106,882.35	265,040.54	299,600.15	1.00	4,654,539.16	300,000.00	25,005.15	41,675.29	40,899.06	14,559.50	4,222,910.00	—	9,490.16	23,524.00
1912	4,672,132.50	370.94	4,276,364.73	103,544.68	291,851.15	1.00	4,647,877.16	300,000.00	28,533.75	47,556.29	40,899.06	17,391.00	4,204,460.00	—	9,037.96	24,255.34

The net total profit for the whole period under consideration was, as we see, 206,451.37 Finland Marks. In accordance with the rules of the Society of the Institute, 15 % of this amount, or 30,967.69 Marks, were paid into the reserve fund and 25 % or 51,612.86 Marks, into the special "A" fund, formed, as we have seen, for the redemption of shares of series "A" reserved to the founders of the Institute.

The total amount of dividends paid to shareholders of this last class was 99,513.50 Finland Marks, or 48.23 % of the subscribed capital, distributed as follows:

Year	1903	0 % of the capital
„	1904	3 % „ „ „
„	1905 and 1906	4 % „ „ „
„	1907	4 ½ „ „ „
From	1906-1912	5 „ „ „

In regard to the local co-operative banks, holding shares of section "B" (ordinary shares), they received altogether 20,061.50 Finland Marks or 9.72 % of the subscribed capital.

Altogether, the Central Credit Institute of the Co-operative Banks of Finland has contributed considerably to obtain for the farmers of the country the working capital necessary to develop their farms. It has above all raised their conception of the real value of co-operative credit and prepared them for collective economic business and the reasonable employment of agricultural credit.

APPENDIX.

General conditions on which the Central Credit Institute grants loans to co-operative banks.

In order that a co-operative credit bank may obtain a loan from the Central Credit Institute of Finland Co-operative Banks it must be constituted in conformity with the Law on Co-operative Action and in its administration and the conduct of its business it must observe the rules laid down by the Central Institute. For the moment these rules are as follows:

§ 1

In regard to its objects, its organization, its management, as well as the conduct of its business, the Bank must observe the following regulations:

(1) There must be unlimited liability on the part of all members to pay calls.

(2) The sphere of action of the bank must be limited to a well defined rural district, not too large, for example, a few landed estates adjoining each other, a village or a small densely populated commune.

(3) It must pay interest of not more than 5 % on the payments made by members.

(4) None of the board of management and none of the officers, except the bookkeeper, may be paid. If it is impossible to obtain a really capable bookkeeper without salary, or if the business of the Bank is of such importance that it is not to be reasonably expected that anyone would undertake the bookkeeping and the accountant's work without remuneration, the employee engaged for the purpose may receive a fixed salary, without any percentage whatever on the amount of the business done or the profits made.

(5) The bank must only grant loans to its own members for a strictly defined purpose, such that its realisation may directly benefit the borrower's farm.

(6) In order to increase the knowledge of the members of the bank, both in respect to agricultural technique and co-operation, and to enable them to utilise the loans granted them by the bank, in the most satisfactory manner, the members must, either as subscribers or in any other way, regularly receive the review " Pellervo ", or some other publication of similar character approved by the Central Credit Institute.

(7) If the bank makes collective purchases or if it grants its members loans with a view to purchases of the kind, it must do so in accordance with co-operative principles and in conformity with a general plan approved by the Central Credit Institute.

(8) If the borrower uses the amount received as a loan from the bank for a purpose other than that indicated in his application, and if the board of management of the bank does not approve this change, the loan shall be cancelled and immediate repayment demanded.

(9) Except for the regulation payments into the reserve fund and interest legally due to members, the profits realised by the Bank must be all placed to its reserve fund, or to a special fund to be only drawn from for objects of collective progress or co-operative work.

§ 2.

The mere fact of having received a loan from the Central Credit Institute implies an engagement on the part of the bank receiving to accept the supervision of the Institute and to authorize it to supervise and inspect, whenever it judges expedient, the management of the bank, its accounts and the conduct of its business.

All the books of the bank, as well as the documents referring to loans granted by it must be in perfect conformity with the forms approved by the Board of Management of the Central Credit Institute.

§ 3.

Applications for credit must be made in writing and addressed to the Central Credit Institute. They must be signed by all the members of the board of management themselves as well as by the bookkeeper. They must contain:

(1) An undertaking to conform precisely with all the conditions laid down for the loan as well as with the suggestions and corrections made by the Central Credit Institute.

(2) Precise indication of all the loans contracted by the bank both with its own members and strangers, as well as of the total amount of such loans and indication also of the amounts possessed by the bank under form of shares, reserve fund or savings deposits.

(3) An undertaking to purchase a share in the Central Credit Institute for every 5,000 Marks of credit granted.

Applications for credit must further be accompanied:

(1) By a complete list, in accordance with a form drawn up by the Central Credit Institute, of all the members of the bank, giving in each case the name, place of fixed residence, amount of annual revenue according to the last income tax list, and, finally, indication of the total amount of the assets of each member, according to a conscientious estimate made by the board of management of the bank, allowance being made for eventual debts.

(2) By an extract from the report of the general meeting of the members of the Bank, containing the resolutions taken with regard to the total maximum amount of loans and savings deposits the Bank guarantees at one time, as well as the maximum amount it can grant its members. This report must further show the decision of the Bank as to its acceptance, in regard to the work of its board of management and its bookkeeper, of a rule in conformity with the model established by the Credit Institute, with precise and detailed indication of any alteration the meeting may have judged advisable to make in this model.

§ 4.

If, in consideration of the documents mentioned in the preceding paragraph, as well as of other circumstances duly established, the Board of Management of the Central Credit Institute thinks the bank deserving of the credit applied for, it will be granted up to the amount allowed by the financial conditions of the Institute and demanded by the credit requirements of the bank. The decision of the Board of Management of the Institute will be communicated to the board of management of the bank in writing.

§ 5.

The credit granted to each bank will take the form of an opening in current account up to the day on which the contract is denounced by one or other of the parties.

There shall be a new contract for each operation, made out in accordance with a special form.

§ 6.

The board of management of each bank must every January submit to the Central Credit Institute a statement of its accounts and its balance sheet, made out according to a form established by the Institute.

§ 7.

Whenever anyone ceases to be a member of the bank, either owing to his death, or through any other reason, the board of management shall immediately notify the Central Credit Institute. In the same way, any change in the members of the board of management must be communicated to the Institute without delay.

§ 8.

Whenever the general meeting of members decides to make any change in the rules, alters the maximum amount the bank can lend or borrow or introduces any innovation in the regulations in regard to the work of its board of management or its bookkeeper, such decisions must at once be communicated to the Board of Management of the Central Credit Institute.

§ 9.

The board of management of each bank is bound to place at the disposal of every inspector delegated by the Board of Management of the Central Credit Institute, at any moment, all its account books, as well as any schedules relating to them, and all its correspondence, as well as the reports of the meetings of the board of management. It must further give the inspector any further information he may require concerning the working of the bank.

§ 10.

The Board of Management of the Central Credit Institute has the right to delegate a representative to attend any meeting of a bank. He shall have no right, however, to vote at such meetings.

URUGUAY.

SOME INFORMATION RELATING TO AGRICULTURAL ASSOCIATION IN URUGUAY.

SOURCES :

RULES AND ANNUAL REPORTS OF THE FOLLOWING ORGANIZATIONS :
ASOCIACIÓN RURAL DEL URUGUAY (*Uruguay Rural Association*) ;
SOCIEDAD EXPOSICIÓN-FERIA DE SARANDI DEL YI (*Exhibition Fair Society of Sarandi del Yi*) ;
SOCIEDAD AGRICULTORES UNIDOS DE SAN JOSÉ (*San José United Farmers' Society*) ;
ASOCIACIÓN RURAL DEL DEPARTAMENTO DE SAN JOSÉ (*Rural Association of the Department of San José*) ;
SOCIEDAD FOMENTO DEL PASO DE LOS TOROS (*Agricultural Society of Paso de los Toros*) ;
SOCIEDAD FOMENTO "AIGUA" ("*Aigua*" *Agricultural Society*) ;
SOCIEDAD RURAL E HÍPICA (*Agricultural and Horse Improvement Society*;
CLUB FOMENTO DE MINAS (*Minas Agricultural Club*) ;
REVISTA DE LA ASOCIACIÓN RURAL DEL URUGUAY (*Review of Rural Association in Uruguay*) Years 1910, 1911, 1912, 1913 and 1914.

§ 1. INTRODUCTION.

In a young country like Uruguay, the agricultural economy of which is still in its initial stage, it is not surprising that agricultural association should not yet have attained the same degree of development as in the older Europe, above all as regards the highest and most perfect forms which this association has assumed.

It is enough to consider briefly the agricultural conditions of the country to day to see what obstacles hinder the progress of association. Indeed the low density of the population, the prevalence of livestock improvement, which means large farms with few people on them, the insufficient means of communication etc. constitute a group of circumstances that cause the farmers to remain in an isolation which is not favourable to agricultural association. Yet, as we shall see, efforts have not been wanting in this

field of rural economy. We may even say that Uruguay was one of the South American countries in which association first made its appearance, as is natural considering that this country is essentially devoted to agriculture and livestock improvement. But the institutions founded, even the oldest and the most important, in most cases, as we shall see hereafter, appear under the form of general and elementary associations, or, in their organization, assume a multiplicity of forms still very remote from that specialisation which has been reached by agricultural institutions in our days.

§ 2. Agricultural associations and their organization.

There are no statistical returns as yet published in Uruguay of the agricultural associations working in the country. We shall therefore merely give the names of the principal. These are, according to information kindly supplied to us by the Department of Industries and the technical publications on the matter :

In the chief towns of Departments :

Uruguay Rural Association, Montevideo ;
Salto Agricultural, Horse and Livestock Improvement Association;
Paysandú Rural Society and Agricultural Club ;
Rio Negro Rural Association ;
Soriano Rural and Industrial Association ;
Colonia Rural and Industrial Association ;
Rivera Agricultural Society ;
Tacuarembó Livestock Improvers' Society ;
Flores Agricultural Society ;
San José Rural Association ;
Minas Agricultural Club ;
Maldonado Rural and Industrial Association ;
Treinta y Tres Agricultural Society ;
Rocha Rural Association ;
Melo Rural Exhibition Fair Society;
San José United Farmers' Society.

In the essentially rural districts and smaller towns and villages :

Dolores Rural and Industrial Association ;
Molles Labour League ;
Arroyo Grande Rural Association ;
Carmen Labour League ;
Sarandi del Yi Rural Exhibition Fair Society.
Lascana Rural Association ;
Santa Rosa del Cuareim Society for the Encouragement of Agriculture and Livestock Improvement ;
Paso de los Toros Agricultural Society ;
" Aigua " Agricultural Society ;
José Battle Agricultural and Horse Improvement Society.

Let us now consider the general organization of these societies.

1. *Objects and Aims of the Agricultural Associations.* — The rules of almost all these associations make use of the following general formula, to show the objects they propose to accomplish; "the encouragement of livestock improvement, agriculture and the industries connected therewith," an extremely vague phrase, to cover innumerable operations. Certain of these societies define their aims somewhat more clearly, as for example, the Paso de los Toros Agricultural Society, which includes in its programme, the organization of shows, support of all undertakings for the improvement of rural industries, protection of the interests of farmers etc.

To give an example of the multiplicity and diversity of the ends pursued by certain associations, we shall mention the San José Farmers' Society, the objects of which are stated in its rules to be: (1) Mutual assistance of members in all claims of general interest for agricultural industries and livestock improvement; (2) Co-operation in the destruction of all pests by which agriculture suffers and the encouragement of the adoption of the most improved methods for the advance of industries; (3) application to the public authorities for the installation of elementary schools in localities in which they are required and the foundation of an agricultural school in the department; (4) defence of members on occasion of any attempt against their personal liberty or their property; (5) a campaign against gambling and alcoholism among members; (6) assistance in procuring medical attendance and medicines etc. for members and their families; (7) insurance of members against hail and accidents in work on payment of fixed premiums, (8) the foundation of co-operative dairies and the organization of a service of threshing machines either leased or purchased (1).

We have already said that the population of Uruguay is essentially occupied in agriculture and livestock improvement, so that it is natural that in this country association should first take an agricultural form. However, it must be observed that in many cases the unions are not exactly professional associations, which imply a higher stage of social activity, but elementary associations formed to enable the members more easily to satisfy their various social, intellectual and artistic requirements etc; in a word, associations that are agricultural in so far as they are formed amongst farmers for the protection of their interests, and, at the same time, for the satisfaction of other requirements. Thus, we find for example, that the Minas Agricultural Club, has, in addition to the rural section occupied with the progress of agriculture and livestock improvement, two others, one artistic, literary and sporting, for entertainments, music, shooting, fencing and gymnastics, with a library, and the other, industrial and com-

(1) These last aims of a co-operative nature are not direct objects of the society, which has to restrict itself to encouraging with the means at its disposal the foundation of organizations for co-operative work. Besides, the rules themselves provide that nothing shall be done in these directions until the society has reached a certain stage of economic development.

mercial, for everything relating to industry generally, arts and trades, commerce etc.

To sum up, we may say that the rural associations of Uruguay propose at one and the same time to improve the professional and social position of their members and the district in which they work.

2. *Capital.* — In most of the rural associations of Uruguay, the capital consists in a definite number of shares, varying in value from 10 pesos to 100 pesos each, according to the society.

In other cases the capital is formed by means of contributions from the members.

As we shall see, almost all of these organizations include among their means of action the holding of exhibitions, fairs, shows etc. from which they derive profits. A part of these are then utilised to form a reserve fund ; some societies use the balance to increase their capital, others distribute it as a dividend among their shareholders, and in this sense they are commercial societies.

3. *Members.* — In the associations which have their capital in shares, all shareholders are members. But there are some of these associations, the *Rural Association of the Department of San José,* for example, in which, after the issue of shares forming the share capital has been taken up, any new applicant for membership must be presented by two members and pay a fixed entrance fee. The case is the same in associations without share capital.

Generally speaking, it is not necessary to be a farmer in order to be a member of these associations; any person is admitted to membership on satisfying the above conditions. However, in the rules of some associations the members are divided into active and protecting members, according as they are farmers or not ; in general, however, the two classes have the same rights and duties.

4. *Means of Action.* — These associations include among their means of action the organisation of shows, exhibitions, fairs, lectures etc.

At the shows and fairs each of them opens at least once a year, not only are the members' produce and other exhibits accepted, but also those of all agriculturists and livestock improvers of the locality.

The exhibitors, farmers or agents, pay the association an entrance fee in advance. At cattle shows or fairs, the association charges for the stand and for the forage consumed.

§ 3. The Uruguay Rural Association and its Work.

After the above remarks on the general organization of agricultural associations in Uruguay, it will be well to consider at greater length one of the longest established of them, as an example. The *Uruguay Rural Association* is probably the most powerful in the country and is tending to become a bond of union for all the agricultural associations scattered over the whole area of the Oriental Republic.

This Association was formed in 1871. Its rules have been amended several times since its foundation; the last revision was made in 1907. According to the rules, the society proposes (1) to defend and promote the interests of agriculture and livestock improvement, as well as of the industries derived therefrom; (2) to develop the producing power and the social value of farm labourers and (3) to render agricultural effort uniform and harmonious. To attain these ends the Association has to exert its action in the following directions:

(*a*) To work for the preparation of measures and the promulgation of laws favouring the national farm production;

(*b*) the introduction of the reforms considered necessary in the commercial treaties affecting such produce;

(*c*) the opening of new foreign markets and the definite assurance of those open to the produce of the country;

(*d*) the encouragement of the introduction of new rural industries into Uruguay;

(*e*) the stimulation of private enterprise and its support by the Government authorities in everything tending to increase the prosperity of the rural districts and the amelioration of rural life;

(*f*) the encouragement of individual effort and the spirit of co-operation;

(*g*) the continuous increase of the influence of the departmental agricultural associations on the economic interests of the departments, so that these associations may become social forces able to transform the rural conditions with advantage;

(*h*) the harmonising of the efforts of all the rural associations of the country, rendering them intelligent and convergent;

(*i*) the constant active propagation of ideas favourable to the improvement of livestock, crops, the system of reproduction and the perfect preparation of the produce;

(*j*) the organization of congresses, fairs and exhibitions and their effective support as well as that of other gatherings of the same kind held in the departments;

(*k*) the diffusion of scientific knowledge of the greatest utility for rural industries and the ideas best suited for promoting the union and organization of the agricultural class.

We see therefore that the field of action of this institution is extremely wide, although it remains within the domain of pure association.

The Association we are considering is managed by a committee of management elected by the members. The committee, in its turn, appoints sub-committees to deal with the various manifestations of the activity of the institution. Up to the present the following commissions have been working: legislation, agricultural science, veterinary surgery, viticulture, *saladerías* and rural industries.

The members may be honorary, foundation, active, delegated and correspondent. An active member must be presented by two members or by one of the Committee of management or pay an entrance fee of 10 pesos.

Foundation and active members pay a monthly contribution of 1.50 pesos.

The delegated members are persons appointed by the departmental agricultural associations to represent them in the Rural Association.

The Association has to keep herdbooks of the various breeds of cattle reared in the country, and it publishes a monthly review, the "*Revista de la Asociación rural de Uruguay*", one of the most important agricultural publications of the country, which it distributes gratis to its members.

It would be too long and difficult a business to enumerate all the efforts, all the undertakings and, generally, all the manifestations of the activity of the Uruguay Rural Association. It is the more difficult, when we consider that this activity is almost always concerned with that complex series of many little matters which, while externally not making a great figure, are of vital importance for the farmers, as in them the machinery of rural life consists ; questions, namely, of export and import dues, ocean freights, railway transport, sanitary police, the improvement of methods of farming, and breeding and selection of livestock etc. In regard to all these matters, the farmers, whether alone or associated in departmental societies, have always found an active, intelligent and efficacious defender of their interests in the Association.

Independently of the activity displayed with regard to these matters, we must specially mention the action of this institution in regard to : (*a*) the drafting of the Rural Code, which was later adopted, with slight amendments, by the public authorities and is now in force, (*b*) the institution, in 1901, of annual agricultural congresses attended by delegates of the agricultural classes of the whole country, the decisions of which, supported by the Association, have for the most part been sanctioned as laws ; (*c*) annual exhibitions, shows and conferences with the object of improving the agriculture and cattle breeding of the country etc.

We shall close our remarks upon the Uruguay Rural Association by giving a few figures to show its financial position. According to the Report for the year 1912-1913, the expenditure of the Association during the period had been 7,407 pesos and the revenue 10,343 pesos, giving a profit of 2,936 pesos. The share capital at the end of the year amounted to 55,886 pesos.

We give below the balance sheet of the Association for May 31st., 1913:

Credits.

Office of the Society	$	40,699.74
Insurance Paid in Advance	,,	57.86
Library	,,	2,627.78
Account Bernardo Fernandez (agent)	,,	112.50
,, Antonio Valente (agent)	,,	154.50
,, Bank of the Republic (current acct. gold)	,,	9,960.15
Furniture and Implements	,,	1,549.36
Herdbook	,,	1,232.44
Subscriptions Due	,,	2,620.61
Cash (balance in money)	,,	262.04
	$	59,276.98

Debits.

Subvention to the Veterinary Laboratory	$	500.00
Subvention Dr. Juan P. Castro	,,	1,129.90
Agricultural Show	,,	778.45
Motor Show	,,	0.90
Bank of the Republic	,,	231.46
Donation Charles A. Arocena	,,	235.50
National Exhibition of 1913	,,	514.24
Capital	,,	55,886.53
	$	59,276.98

§ 4. Work of the Uruguay Rural Association in behalf of agricultural organization.

The circular addressed to the rural classes in 1871 by the committee of founders of the Uruguay Rural Association stated that its principal object was to form an agricultural centre for all those interested in the progress of the country so as to effect improvements impossible while the *existing isolation of the farmers* continued. If we examine the provisions that have all along guided the action of the Uruguay Rural Association, we shall see that it has always preferred to give its attention to the formation of a rural centre for the promotion and the protection of the interests of the agricultural classes, showing the importance of agriculture as the chief factor of the national wealth.

In fact, in the rules of 1882 (amending those of 1871), amongst the matters to which the committee of management has to devote its attention, mention is made of the strengthening of the bonds between similar

corporations in the country; the rules of 1890 make similar provision, as do also those of 1903 and, finally, in the rules of 1907, now in force, the list of the objects of the Association was increased by the paragraphs (*g*) and (*h*) reproduced above (1).

In regard to the application of these principles we see in practice that, when as yet there were no rural societies in the departments, the Association formed in each of them an auxiliary committee from among its own members resident in the locality, to attract the rural classes by assisting them in their work; as these committees also occupied themselves with the interests of their respective regions, they were, in reality, the fruitful seed of the rural associations now existing in the departments. These commissions sent delegates to the ordinary meetings of the Association, taking thus a first step in the direction of the agricultural congresses established in 1901.

When a few rural societies had been formed by it, the Association pursued its work of union, drafting the regulations of June 2nd., 1902 by which it incorporated with itself all the committees and societies of agricultural character, which had amongst their members ten members of the Association or subscribers to its Review, these groups undertaking to correspond with the committee of management of the Association on all matters they considered as having an interest for the agriculture of their respective districts.

Finally, as we have said, on the initiative of the Association, annual rural congresses have been instituted. Delegates from all the agricultural unions of the country attend them in order to study and solve the manifold problems in which the agricultural class is interested, and at the same time encourage the union of these groups.

We see, then, that the Uruguay Rural Association has always had in view as its eventual object the organization of the rural classes as of the greatest advantage for the agriculture of the country. It is easy to recognise, however, as Señor Taboada, a member of this Institution, has said, that it alone can do little to realise its desires (2).

In fact it is certain that each department has at least one rural association, but these associations are not as yet all united for common work, and, what is still more important, the whole group of those farmers, who, through apathy or indifference, remain strangers to the association movement, has not yet been incorporated with it. It is only by such incorporation the farmers will be able to defend their interests properly.

(1) See preceding paragraph.

(2) See TOBOADA BAYOLA (Felix): *Nuestra Asociación y la Organización del gremio rural*, in the "*Revista de la Asociación Rural del Uruguay*", February, 1915.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CO-OPERATION AND ASSOCIATION.

GERMANY.

REUSCH (H.): DAS SPAREN BEI DEN SPARKASSEN UND DEN KREDITGENOSSENSCHAFTEN. (*Savings Deposits in the Savings Banks and in the Mutual Credit Societies*). "Zeitschrift für Socialwissenschaft", Leipzig, 1914, Nos. 7 and 8. pp. 533-541.

In this short article the author endeavours to estimate the amount of savings deposits administered by the savings banks, comparing it with that deposited in the co-operative credit establishments, as these two classes of institute may be considered as almost the only ones that collect the savings of the large mass of the German people. He draws attention first of all to an essential difference, not always clearly marked in practice, between the two kinds of organisations. In the savings banks the savings business is an end in itself, because the object of these banks is precisely to collect savings. The amount thus accumulated is then invested with the sole object of obtaining interest for the depositors. We may say that the reverse is the case with the co-operative credit societies, the principal object of which is to grant loans and accept savings deposits for the sole purpose of lending. The result of this difference for the depositor is that, whilst the savings banks endeavour to invest at the highest possible interest, so as to be able also to give the highest possible interest on deposits, the co-operative credit establishments endeavour to keep the rate of interest on the deposits as low as possible, so as to be able to grant credit cheap.

We see, in the tables accompanying the article, that the total amount of the deposits in the savings banks and co-operative credit establishments in Germany is 21,300,000,000 marks, two thirds of which are deposited in Prussia. Of this amount, the co-operative credit establishments have collected only 3,500,000 marks, and the agricultural credit societies, only 2,000,000,000 marks. The classification of the deposits according to States and provinces, which enables us to form an idea of the saving possibilities of each part of the Empire is very interesting. The difference is especially great in regard to the amount of the savings collected by the credit societies and this is not due to the societies being more or less known, but also to the special conditions of the different regions. In the provinces of East and West Prussia and in Posen, as well as in Bavaria, the savings deposited in the

co-operative credit establishments almost equal in amount those deposited in the savings banks, whilst, on the contrary, for the whole Empire, the average proportion between the two classes of deposits is as 1 to 5. In the Kingdom of Saxony, the co-operative credit establishments have made little way. In fact, there the statistics show 13 marks deposits for each individual in the co-operative credit establishments as against 377 in the savings banks; further, 0.9 % of the inhabitants deposited in the co-operative credit establishments as against 68.5 % depositing in the savings banks. On an average, in all Germany, 34.7 % of the population deposited in savings banks, while 4 % are members of co-operative credit societies. However, as regards the number of the depositors in the co-operative and credit establishments, there being no statistics to hand, the author has estimated it at nearly twice the number of members, that is at a total of 5,000,000 persons.

GREAT BRITAIN AND IRELAND.

REPORTS OF THE CHIEF REGISTRAR OF FRIENDLY SOCIETIES FOR THE YEAR ENDING 31ST. DECEMBER 1912. PART B. INDUSTRIAL AND PROVIDENT SOCIETIES. London, 1914. Eyre and Spottiswoode. Fol. XVIII + 272 pages.

The difficulty of collecting returns from some thousands of societies accounts for the fact that when the official statistics of co-operative societies in Great Britain are published, they are already somewhat out of date. When they arrive, however, they are exceedingly full and detailed, and every effort is made, by careful classification, to make them as instructive as possible. The classification has been greatly improved of recent years, and the societies are now divided into six great groups, viz., Agricultural Societies, Distributive Societies, Productive Societies, Businesses, Land and Housing Societies and General Co-operative Development Societies. Each of these groups, except the last-named, is divided into several classes.

The Agricultural Societies are classified as follows : Agricultural Trading Societies, Bee-keepers' Societies, Dairy Societies, Egg and Poultry Societies, Farmers' and Growers' Associations, Pig and Cattle Suppliers, Smallholders' Clubs, Agricultural Wholesale Societies, Flax Societies, Horse and Cattle Breeding Societies, Threshing Societies, Agricultural Development Societies, Miscellaneous Agricultural Businesses, Credit Societies and Small Holdings and Allotments Societies. This does not, however, exhaust the list of societies which might properly be included amongst agricultural co-operative societies for the bacon-curing factories (of which only two were at work, though six had been registered) are really farmers' societies, analogous to the co-operative dairy societies, and have little in common with the productive societies amongst which they are classed and which are societies either of consumers, or of workers. This distinction seems to have been recognised in the case of the Sherston Milling So-

ciety which, being a society of farmers, is classed as an agricultural trading society and not amongst the flour milling societies in the group of productive societies. The equally important distinction between productive societies composed of workers (or co-partnership societies) and productive societies composed of consumers has been found impracticable to draw, as the returns do not indicate the share (if any) held by the workers in the management of the various societies.

The number of societies which furnished returns was 3,562. They contained 3,144,033 members, and had a paid-up capital of £ 40,626,750, and a loan capital of £ 9,330,095, besides deposits to the amount of £ 8,044,942. The sales amounted to £ 209,707,533 and the net profit realised to £ 13,246,387.

The societies classed as agricultural societies numbered 1,086, contained 120,450 members and sold goods to the value of £ 5,080,729. To these should be added the six bacon-curing societies, with a membership of 5,229 and sales amounting to £ 103,607. It should also be noted that the credit societies which figure in the returns are very few in number, since the great majority of agricultural credit societies are registered under the Friendly Societies Acts and the statistics relating to them appear in another Report.

The most numerous class of society were the distributive trading societies, numbering 1,493, with a membership of 2,766,241 and sales amounting to £ 80,789,348. The two great Wholesale Societies sold goods to the value of £ 38,126,329 ; a third had been registered, but had not started business. The total value of the goods produced by all classes of societies was £ 26,350,750, of which £ 10,170,135 was produced by distributive societies. ; £ 9,842,335 by the wholesale societies ; £ 3,861,588 by productive societies other than agricultural and £ 2,476,722 by agricultural societies.

ROUMANIA.

MALȚEZIANU (CONSTANTIN) : DIE NEUEREN AGRARREFORMEN UND DIE PACHTGENOSSENSCHAFTEN IN RUMÄNIEN. (*Recent Agricultural Reforms and Collective Leases in Roumania*). Schmollers Jahrbuch für Gesetzgebung, Verwaltung und Volkswirtschaft in Deutschen Reich, 38th. Year, 2nd. number, pp. 299-350. Munich and Leipzig, 1914.

The author after dealing in a short introduction with the unhappy conditions of Roumanian agriculture which led to the sanguinary revolt of the peasants in 1907, examines the measures taken since that date for the improvement of the conditions of agriculture.

These reforms, which we have already to some extent dealt with in preceding numbers of our Bulletin, are of various kinds. Some have in view the immediate improvement of the peasants' situation. These include the regulation of agricultural contracts (dealing with regulation of field

labour, minimum leases and wages, collective pasture land) and the foundation of rural banks to facilitate the purchase of land by the peasants; they further include provisions against the lease *trust* and regulate the conditions of lease of land held in mortmain to collective farming associations and the sale of Government land to the peasants. The object of other laws is to render it easier for the peasants to have recourse to justice (by means of circuit courts) and to combat alcoholism (by the monopoly of the liquor sale). Other laws were passed in the expectation that the reclamation of the Danube plain for the benefit of the owners of the land would also improve the conditions of the peasants.

It is not our purpose to examine the article in detail here, especially as the subjects dealt with in it have been or will be dealt with in other essays in our Bulletin. We shall confine ourselves to saying that, as a result of the constitution of collective farms and of the foundation of rural banks, nearly 300,000 hectares have already passed into the hands of the peasants. The author is of opinion that within the next ten years, in consequence of these two movements and the sale of the Government land, about 1,000,000 hectares may be acquired by the peasants. In this way, 65% of the cultivable area of Roumania will consist of land cultivated by peasant proprietors and this, without doubt, will have an excellent effect on the development of the country. The rapid increase in people's banks and collective leases since the revolution witnesses to a most desirable improvement on the state of things previously existing.

However, there are still very important questions to be settled. Provision may first of all be made by law for the instruction of the peasants, both as regards their general education and also in agricultural matters. It is necessary, further, to attempt to instil more deeply into the peasants the sense of justice and equality, so that they may feel themselves the equals of their fellow citizens and obtain their rights from the law courts and from the administrative authorities. On the other hand, it is the duty of the large land owners and tenant farmers to contribute to the suppression of social conflicts in the country, by a more equitable treatment of the peasants and by joining with them in the work of the various classes of agricultural co-operative societies.

Part II: Insurance and Thrift

ITALY.

PROGRESS OF THE INSURANCE SOCIETIES IN ITALY.

SOURCES :

LE SOCIETÀ DI ASSICURAZIONE SULLA VITA NEL SESSENNIO 1904-1909. "Annali del Credito e della Previdenza". (*Life Insurance Societies in the Six Years*, 1904-1909. — *Annals of Credit and Thrift*). Year 1911, Vol. 88. Ministero di Agricoltura, Industria e Commercio. Direzione Generale del Credito e della Previdenza.

LE OPERAZIONI DEGLI ISTITUTI DI ASSICURAZIONE IN ITALIA NEL 1912. "Annali del Credito e della Previdenza" (*Transactions of the Insurance Institutes in Italy in* 1912. — *Annals of Credit and Thrift*), 2nd. Series, Vol. 8. Ministero di Agricoltura, Industria e Commercio. Direzione Generale del Credito e della Previdenza. Rome, Tip. L. Cecchini, 1914.

ISTITUTI DI ASSICURAZIONE ESISTENTI IN ITALIA AL 1° GENNAIO 1913. Fascicolo I : Istituti pubblici. Fascicolo II : Istituti privati (*Insurance Institutes existing in Italy on January 1st.*, 1913. *No. I. Public Institutes. No. II. Private Institutes*). Ministero di Agricoltura, Industria e Commercio. Direzione Generale del Credito e della Previdenza. Rome, Tip. G. Bertero, 1913.

BOLLETTINO DI NOTIZIE SUL CREDITO E SULLA PREVIDENZA. (*Bulletin of Information on Credit and Thrift*). Ministero di Agricoltura, Industria e Commercio. Direzione Generale del Credito e della Previdenza.

BOLLETTINO UFFICIALE DELLE SOCIETA PER AZIONI. (*Official Bulletin of the Societies Limited by Shares*). Ministero di Agricoltura, Industria e Commercio. Direzione Generale di Credito e della Previdenza.

The degree of development reached by the insurance societies of a country may be considered not only as an indication of the more or less complex and perfect state of its economic business, but also as indicative of the national wealth. We, therefore, think it well to consider the development assumed by the insurance societies in Italy as revealed by official statistics. To give a complete idea of it, with special regard to agricultural

insurance, we shall consider all the forms of thrift practised in Italy, summarising the statistics of the business done in 1912 by the insurance societies legally working in the Kingdom in accordance with the Commercial Code.

§ 1. General information and statistics.

In 1912 there were 188 insurance societies (1) working in Italy, 107 national and 81 foreign, as follows:

(*a*) National Societies:

Societies Limited by Shares	43
Co-operative Societies	34
Mutual Societies	30

(*b*) Foreign Societies:

French	24
German	22
Austrian and Hungarian	11
British	11
Swiss	7
North American	3
Dutch	2
Spanish	1

The 107 national societies transacted business in 17 branches of insurance, that is to say: 32 devoted themselves to life, 22 to hail, 19 to fire, 16 to transport insurance, 12 to voluntary and 9 to compulsory accident insurance, 8 to livestock insurance, 6 to insurance against theft, 6 to window and 5 to marine insurance, 5 were reinsurance societies, 3 were emigrant, 2 liability, 2 sickness insurance societies, 2 insured against strikes, 2 insured plants, and 1 motor cars.

A large number of different kinds of insurance was undertaken at the same time by the limited liability societies; the mutual and co-operative societies, on the other hand, with rare exceptions, undertook only one branch each.

(1) Not considering the societies only working in the Commune in which they have their headquarters, of which there were 287 in 1912. See in this connection the second number, *Isti uti privati*, of the Publication given among the sources of this article: "Istituti di Assicurazioni esistenti in Italia al 1° gennaio. 1913."

The foreign societies undertook 14 branches of insurance. In their case also, the majority (27) were life insurance societies; the other branches undertaken were as follows: transport (25 societies), fire (17), voluntary accident insurance (15), theft (8), compulsory accident insurance (3), liability (3), marine (3), window (3), hail (2), sickness (1), motor car (1), guarantee (1) and insurance against damage from water (1).

Altogether the 188 societies working in Italy in 1912 undertook 19 branches of insurance as follows: life (59), transport (41), fire (36), voluntary accident (27), hail (24), theft (14), compulsory accident (12), window (9), livestock (8), marine (8), liability insurance (5), reinsurance (5), sickness insurance (3), emigrant (3), strike (2), motor car (2), plants (2), guarantee (1) and insurance against damage from water (1).

From the above figures we see first of all the international character of insurance in Italy, as almost all branches are undertaken both by national and foreign societies.

The above national societies had, altogether, a subscribed capital of 147,131,765 frs. (the societies limited by shares having 137,067,400 frs. and the co-operative societies 10,064,365 frs.), and a paid up capital of 56,770,202 frs. (53,675,716 in the societies limited by shares and 3,094,441 in the co-operative societies). The subscribed capital of the foreign societies, on the other hand, amounted to 581,126,000 frs. and the paid up capital to 222,833,244 frs.

For the right understanding of these figures we must, however, observe: 1st., that, in view of the small importance of a capital for these undertakings, by art. 131 of the Commercial Code, insurance societies may be founded in Italy with only a tenth of the subscribed capital paid up, instead of three tenths, as is required in the case of commercial societies; 2nd., that the capital indicated above in the case of foreign societies is that of their whole business carried on in various countries.

So much said, let us now consider the most important branches of insurance.

§ 2. Life insurance.

In 1912 there were 59 life insurance societies in Italy, 32 national and 27 foreign. Of the former, 16 were limited liability, 11 co-operative and 5 mutual societies. Of the latter, 7 were Austrian or Hungarian, 6 French, 4 German, 4 British, 3 North American, 1 Dutch, 1 Spanish and 1 Swiss.

There was a decrease of 2 societies, on the number of those working in 1909, the last year for which official information had been published.

It must, however, be remembered that in 1912 many societies began to transfer their Italian policies to the *Istituto Nazionale delle Assicurazioni* (National Insurance Institute) founded by law no. 305 (1) of April 4th., 1912,

(1) See in this connection our Bulletin for May, 1912.

and that other societies ceased to issue new policies in view of the law, which came into force on January 1st., 1913, and certain particulars could not be obtained by the Department, as several societies were in liquidation.

However, the increase in the amount of premiums collected was not arrested, and between 1909 and 1912, it was 12.38 % for the national and 12.19 % for the foreign societies. It is important to observe that, while in 1912 the national societies collected 29,151,019 frs. in premiums, the foreign societies collected 40,788,153 frs.

The premiums and accessory amounts collected in this year came to 29,484,497 frs. in the national societies and 41,534,311 frs. in the foreign societies and thus, altogether, to 71,018,808 frs.

Altogether the amounts paid out in sums assured and pensions due and on surrender of policy, together with those still to be paid for claims not yet dealt with at the end of the year came to 49,951,493 frs. (19,495,770 frs. in the national and 30,455,723 frs. in the foreign societies).

Deducting from this total the amount for claims remaining to be dealt with at the beginning of 1912, namely 4,978,681 frs., the amount for claims, insurances matured and surrenders in 1912 was 44,972,812 frs. (in the national societies 18,002,596 frs. and in the foreign societies 26,970,216 frs.). In comparison with the premiums and accessory amounts for the year, the percentage of claims, insurances matured and surrenders was 61.05 for the national and 64.93 for the foreign societies.

The larger number of policies (26,006 out of 40,522) was issued by the national societies, which in fact issued 64.17 % of the new policies, but only assured 38.84 % of the total capital assured (98,227,219 frs. out of 252,898,544 frs.) ; of the pensions, however, the national societies assured 83.15 % (512,075 frs., out of a total of 615,820 frs.).

§ 3. Accident insurance.

There are two kinds of insurance of labourers against accidents in their work in Italy, compulsory and voluntary. The first, regulated by the law no. 51 of January 31st., 1904 (final text), was in 1912 undertaken by 12 societies (1), 9 being national and 3 foreign. Of the 9 national 7 were limited liability and 2 mutual societies.

The total of the premiums and accessory amounts for 1912 was 13,114,088 frs. in the national, and 893,340 frs. in the foreign societies.

In connection with the amount of capital assured we must observe that some societies furnish no information on the subject, others confine them-

(1) In 1912 this insurance was also undertaken by the Cassa nazionale di assicurazione per gli infortuni degli operai sul lavoro (*National Society for the Insurance of Workmen against Accidents in their Work*), by 2 compulsory and 25 voluntary syndicates, by 21 private societies and 14 private consortium societies, authorized in accordance with the above law.

selves to showing the amount of wages of the insured workmen and others, finally, take the wages as the basis on which to calculate the amounts assured in case of death (5 years' wages), permanent disablement (6 years' wages) and temporary disablement (a percentage which varies).

The claims for 1912 amounted to 10,913,573 frs. for the national societies and 833,462 frs. for the foreign societies and thus altogether to 11,750,030 frs.

The proportion of the claims to the premiums was therefore 83.24 % for the national and 93.30 % for the foreign societies ; the percentage for both was 83.88 %.

Voluntary accident insurance in this year was undertaken by as many as 27 societies, 12 of them national (8 limited liability and 4 co-operative) and 15 foreign.

The former collected 17,443,587 frs. in premiums for the year, the latter, 1,988,171 frs.

As we see, the national societies collected 90.06 % of the premiums, and the foreign societies only 9.94 %.

The claims in 1912 amounted to 11,369,140 frs., 10,091,78 frs. (88.76%) in the national and 1,277,342 frs. (11.24 %) in the foreign societies.

The claims for the year were in the case of the national societies 5 % and in that of the foreign societies 64.25 % of the premiums.

The figures given above show that most business is done by the national societies, whether in the field of voluntary or of compulsory insurance.

§ 4. Hail insurance.

In 1912 there were 24 hail insurance societies working in Italy, 22 national and 2 foreign ; of the former 6 were limited liability societies, 6 mutual and 10 co-operative.

The total premiums and accessory amounts, collected by the national societies came to 24,166,958 frs. (88.80 %) and those collected by the foreign societies to 3,048,938 frs. (11.20%); thus, altogether, to 27,215,896 frs.

The amounts assured by the former group came to 509,080,029 frs. and those assured by the second group to 62,147,098 frs.

We find then that the average premium in the national societies is 4.75 % of the amount assured, and in the foreign societies 4.91%.

In 1912 the claims amounted to 13,149,584 frs., 11,706,713 frs. in the national and 1,442,871 frs. in the foreign societies. The proportion of the claims to the premiums was 51.84 % in the national and 47 % in the foreign societies; for all the societies together it was 51.34 %.

The working year 1912 was, however, one of the most favourable for the hail societies; indeed, the claims and valuation expenses, which, as we have seen, amounted to 51.34 % of the premiums and accessory amounts in 1912, on the contrary, in 1911 and 1910 had amounted to 97.42 % and 99.24 % of the corresponding amounts for those years respectively.

It is also interesting to consider the proportion of the working expenses to the premiums and accessory amounts. It was 6.19 % in the national societies and 11.04 % in the foreign societies. The proportion, taking all the societies together, was 6.74 %.

However, if the working expenses of the foreign societies were twice as high as those of the national, the percentage for commissions was in the latter twice as high (12 %) as in the former (5.22 %).

The difference is perhaps due to a different method of calculating the working expenses and commissions in the two groups of societies.

To obtain a still more exact idea of the progress made by this branch of insurance in Italy it will be well to consider the figures of the last official statistical report, that for the year 1903. In fact, the amounts assured and the premiums collected in 1903 (1) and 1912 were as follows :

TABLE I. — *Amount Assured by the Hail Insurance Societies.*

Amount Assured	1903	1912	Increase	
			Total	Per cent
	frs.	frs.		
National Societies	266,482,401	509,080,029	242,597,628	91.04
Foreign Societies	42,997,970	62,147,098	19,149,128	44.53
Total . . .	309,480,371	571,227,127	261,746,756	84.58

TABLE II. — *Premiums Collected by the Hail Insurance Societies.*

Premiums Collected	1903	1912	Increase	
			Total	Per cent
	frs.	frs.		
National Societies	10,819,720	23,344,351	12,524,631	115.76
Foreign Societies	1,873,511	2,936,575	1,063,064	56.74
Total . . .	12,693,231	26,280,926	13,587,695	107.05

From the above figures taken as a whole we see that the business done by the national societies was more important than that done by the foreign.

(1) See *Bollettino di Notizie sul Credito e sulla Previdenza.* Ministero dell'Agricoltura, Industria e Commercio. Rome, Years 1903, 1904, 1905 and 1906.

Finally, the business done by the hail insurance societies in the last working year, 1913, again indicated increased thrift on the part of the farmers; as appears from the following total figures: amount assured: 585,000,000 frs; premiums 28,116,977 frs.; claims 27,361,202 frs.; working expenses 4,823,975 frs.; taxes 469,635 frs.

These figures are, however, not quite accurate, since the Official Bulletin of the Department of Agriculture, Industry and Commerce, from which our information is derived, has not yet published the balance sheets of some societies for 1913. In that year the amount paid up in claims was considerable. Indeed, 27,000,000 frs. were paid in claims as against 28,000,000 collected as premiums. Adding to this almost 5,000,000 frs. for working expenses and almost 500,000 frs. for taxes, we find the societies and reinsurance institutes suffered a loss of about 5,000,000 frs.

§ 5. Fire insurance.

In 1912 there were 36 fire insurance societies working in Italy (1), 19 national and 17 foreign. Of the former, 8 were limited liability, 7 were co-operative and 4 mutual societies.

The total of the premiums and accessory amounts for the year came in the case of the national societies to 28,032,984 frs. (in 1903, 15,815,011 frs.) and in that of the foreign societies to 30,763,591 frs. (in 1903, 17,980,099 frs.) and so, altogether, to 58,796,575 frs.

The amount assured by the national societies in 1912 amounted to 20,558,733,264 frs. (13,697,290,690 frs. in 1903) and that assured by the foreign societies to 21,430,394,578 frs. (in 1903, 14,498,669,696 frs.).

The claims amounted to 28,997,401 frs.: 14,770,217 frs. in the national and 14,227,184 frs. in the foreign societies.

The percentage of claims to premiums and accessory amounts, in the year considered was 52.69 in the case of national and 46.25 in that of foreign societies.

The working expenses in the national societies were 6.85 % of the above total of premiums and accessory amounts and in the foreign societies 9.77 %. The percentage of working expenses was therefore higher in the foreign societies. The same may be said of the percentage of commissions to agents on the premiums and accessory amounts, which was 16.35 in the national and 18.09 in the foreign societies.

From all these figures taken together we find that this branch of insurance is making appreciable progress, especially in the national soci-

(1) No account is here taken of local fire insurance societies. Of such societies, with a sphere of action limited to a single commune in 1912, there were 179 (114 mutual and 65 co-operative) authorised for work in accordance with the General provisions of the Commercial Code and 32 authorised in accordance with law no. 526 of July 7th., 1907.

eties, which have almost equalled the foreign in respect to the amount of their premiums.

§ 6. Transport insurance.

In 1912 there were 41 societies, 16 national (of which 15 were limited liability societies and 1 a co-operative society) and 25 foreign, undertaking transport risks in Italy. If the foreign societies are more numerous, the national do a larger business. They, in fact, collected premiums in 1912 to the amount of 8,136,396 frs. and the foreign societies only collected 5,015,098 frs.

Besides this, the national societies assured 1,589,267,604 frs., and the foreign societies, 1,526,673,288 frs. The former paid claims to the amount of 6,384,263 frs., and the latter to the amount of 4,259,762 frs. The proportion of claims to premiums is, therefore, 78.47 % in the case of the national and 84.94 % in that of the foreign societies.

The proportion of the working expenses and commissions to the premiums and accessory amounts for 1912 was less in the case of the national than in that of the foreign societies.

In this branch of insurance the foreign societies have made considerable progress and they are now formidable rivals of the national societies; in fact the official statistical tables show that while in 1903 only a third part of the capital assured was assured by the foreign societies, in 1912 almost half was assured by them, so that the business of the national societies was considerably reduced.

If this goes on, it is probable that the foreign societies may end by gaining the first place, hitherto held by the national societies.

§ 7. Insurance of other risks.

The branches of Insurance above considered are those that have acquired the most considerable importance. But we must also give a cursory glance at the work of other branches, some of which have been long undertaken (livestock, marine etc.), while others are of later or recent introduction (insurance against losses through strikes, water, criminal injury to plants, etc.).

In regard to agricultural livestock and fire insurance etc., we may note a tendency to a rapid multiplication of institutes of co-operative or mutual form, working only in the commune in which they have their headquarters, for the most part not legally constituted, in regard to which the official statistical reports supply no information. They undoubtedly render great services to agriculture.

In regard to the other branches of insurance to which we have referred, the latest information we have is as follows:

(a) *Liability.* — The risks were undertaken in 1912 by 5 societies, two of them Italian, one being a limited liability society and the other a mutual society. They collected premiums for the total amount of 329,150 frs. and paid claims to the amount of 150,294 frs.

The little progress made by this branch is perhaps to be explained by the fact that the risks are most frequently undertaken also by the accident insurance societies.

(b) *Sickness.* — Sickness insurance societies have even made less progress, perhaps because their work is better done by mutual aid societies, working among special classes of persons who run the same risk of sickness on account of the professions they follow. In 1912, only three societies, in fact, undertook sickness risks. Of these two were national (one a limited liability society, the other a mutual society). The three societies collected 82,577 frs. in premiums and paid 33,820 frs. in claims.

(c) *Livestock.* — Small also is the number of large societies insuring against sickness and death of livestock, as these risks in Italy, as in almost all countries, are more frequently undertaken by small local mutual societies (1). In 1912, in fact, only 8 national societies (2 limited liability, 5 mutual and 1 co-operative) undertook these risks in the Kingdom, for the most part confining themselves to special classes of livestock. They collected 327,356 frs. in premiums and 6,508 frs. in accessory amounts; the proportion of this total amount of 333,864 frs. to that of the 25,288,784 frs. assured, being 1.32 %.

The claims paid amounted to 279,047 frs. and thus, while they are 1.10 % of the assured capital, they are 83.58 % of the premiums.

(d) *Losses through water and criminal injury to plants.* — In 1912 only one French society undertook water risks, collecting 1,885 frs. in premiums and accessory amounts, while it had only claims of the amount of 126 frs. to pay, that is 6 % of the amounts collected. The amount assured was 170,500 frs., so that the premiums were 1.10 % and the claims 0.07 % of the amount assured.

Insurance against losses through criminal injury to plants is a form of insurance that thrives in those rural regions where revenge frequently takes the form of injury to fruit trees. Two national co-operative (2) societies undertook these risks in 1912. The premiums and accessory amounts collected by them came to 7,440 frs., as against 43,348,000 frs. of capital assured, so that the average premium was 0.02 %. The claims amounted to 1,600 frs.

(e) *Losses through Strikes.* — The very new branch of insurance of landowners and employers against strikes was undertaken by two

(1) In 1912 the local livestock insurance societies authorized in accordance with the general provisions of the Commercial Code were 23, of which 4 were mutual and 19 co-operative. Those authorized in accordance with law 526 of July 7th., 1907, were 31.

(2) Two other small co-operative societies exist, each confining its action to the commune in which it has its headquarters.

national mutual societies, one insuring aganist agricultural and the other against industrial strikes.

The total amount assured was 23,099,150 frs., and the premiums and accessory amounts collected being 227,232 frs., the average premium was 0.98 % of the capital assured.

The claims for the year amounted to 238,713 frs., or 1.03 % of the amount assured and 105.05 % of the premiums and accessory amounts collected.

Leaving out of consideration the other branches of insurance less closely related to agriculture, we shall, finally, consider the insurance business transacted in Italy as a whole.

§ 8. The total business of the insurance societies in Italy in the ten years 1903-1912.

In terminating our report, in order to show the inportance of the insurance societies for the national economy and the progress made by them in Italy in ten years, we shall point out that the total of the premiums and accessory amounts collected in 1912, in the branch of *life insurance*, was 71,018,808 frs. (29,484,497 frs. collected by national and 41,534,311 frs. by foreign societies), as against 42,696,261 frs. in 1903; and in the case of *property insurance* it was 142,686,556 frs. (in the national societies, 98,861,110 frs. and in the foreign societies, 43,825,446 frs.), as against 70,094,250 frs. in 1903.

In the ten years, therefore, the premiums collected in the various branches of insurance almost doubled themselves, with an increase of more than 100,000,000 frs.; more than two thirds of which was realised in the national societies.

In addition, the total amount assured in 1912 by the life societies was 1,796,406,747 frs. (for pensions 7,263,346 frs.), of which 734,937,993 frs. (5,864,008 frs. pensions) was assured by the national and 1,061,468,754 frs. (1,399,338 frs. pensions) by the foreign societies. In 1903, on the other hand, the total amount assured by the life societies was 1,069,236,318 frs. (4,517,453 frs. pensions), 397,046,426 frs. (3,689,441 frs. pensions) by the national and 672,189,892 frs. (828,012 frs. pensions) by the foreign societies.

In the societies insuring property, the total amounts assured increased from 35,074,471,070 frs. (national societies, 19,276,590,232 frs.; foreign societies, 15,797,880,838 frs.) in 1903, to 52,342,092,172 frs. (national societies, 28,171,443,195 frs.; foreign societies, 24,170,648,977 frs.) in 1912.

There was thus in the ten years a considerable increase in the amount assured.

Finally, the amounts paid in claims and on maturity in 1912 came altogether to 117,000,000 frs., 81,000,000 frs. in the societies insuring property and 36,000,000 frs. in the life societies. Of these 117,000,000 frs., 73,000,000 frs. were paid by national and 44,000,000 frs. by foreign societies.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO INSURANCE AND THRIFT.

GERMANY.

HAGEN (OTTO, KAMMERGERICHTSTRAT): DIE NEUEN HAGELVERSICHERUNGS BEDINGUNGEN (*New Hail Insurance Conditions*). "Zeitschrift für die gesamte Versicherungswissenschaft". Berlin. Vol. XIV. No. 1. pp. 81.-96 and number 2, pp. 204-214.

The law of May 30th., 1908 on insurance contract, which came into force on January 1st., 1910, only establishes, when all is said, the general basis of German law in regard to private insurance, leaving the insurance institutes power to regulate the details of their conditions, which have had to be considerably amended in order to be brought into conformity with this law. These insurance conditions, thus, acquire quite special importance in the field of law: although in themselves they are only agreements of purely private character, they have been transformed into an effective and very important source of law.

In the field of hail insurance, uniform insurance conditions were authorized on April 14th., 1909 for institutions for this insurance belonging to the Federation of German Hail Insurance Societies limited by Shares (*Verband der deutschen Hagelversicherungs-Aktiengesellschaften*). In the same way, a large number of mutual hail insurance societies have established general insurance conditions. The two groups, of societies limited by shares and mutual societies, before presenting their insurance conditions for authorization, came to an agreement in regard to the most important points.

The new hail insurance conditions are grouped together and examined systematically in the above article and compared with the other legal provisions regulating the insurance contract.

JOSEF (Dr. jur. EUGÈNE): BESITZWECHSEL BEI DER HAGELVERSICHERUNG UND DIE VERSICHERUNGSPFLICHT DES PÄCHTERS (*Change of Possession in regard to Hail Insurance and the Obligation of Tenant Farmers to Insure*). "Zeitschrift für die gesamte Versicherungswissenschaft." Berlin, Vol. XIV. No. V. pp. 687-694. 1914.

Paragraph 114 of the law on insurance contract lays it down that the insuring institute, in case of the sale of produce insured against hail, can

only denounce contract for the end of the period fixed for the insurance, whilst the purchaser may immediately denounce contract. The author of the study before us considers in detail the cases in which this denunciation may take effect and comes to the conclusion that, practically, it can only do so when the produce is sold as inseparable from the land. In addition, the author, enquires if the lessor, insured against hail, may, in the same way as when insured against fire, claim compensation if the lessee has engaged with him to insure himself. He decides that such an engagement does not imply any intention of constituting a right of the lessor and consequently only the lessee has a claim, that is to say only the person to whom the produce belongs.

KIRCHMANN (Dr. jur. KARL) : TILGUNGSVERSICHERUNG. (*Insurance for the Extinction of Debts on Land*). " Zeitschrift für die Versicherungswissenschaft ", Berlin. July 1st., 1914. pp. 492-554.

It has been possible to free landed property from debt, by means of regular gradual repayment, in instalments, in accordance with a fixed plan. But, to ensure repayment, even in case of the premature death of the debtor, it is well to combine life insurance with this method of repayment in instalments. The combination may be made in different ways. For example, since the institution in late years of life insurance in the Prussian *Landschaften* and other land credit institutions of public utility in Germany (Bulletin of Economic and Social Intelligence, December 1913, pp. 77 et seqq.), the instalments for repayment of the debt may be utilised for payment of the insurance premiums. The debt, thus converted into one not to be extinguished in instalments, is repaid by means of the amount insured on the life. In this case, the contract is made for a definite amount assured to be paid at death.

The regular repayment in instalments may also be allowed to continue and at the same time an insurance may be arranged to cover the amount still due at the death of the policy holder. The author calls this form of insurance " Insurance for Extinction of Debt " (*Tilgungsversicherung*), in contradistinction to the other type of insurance previously mentioned, which he calls " Mortgage Life Insurance ", (*Hypothekarlebensversicherung*). He thoroughly studies all the machinery from the point of view of the technique of insurance and exposes its economic advantages and defects.

As this is a problem which is of very great importance for many countries, we think it well to draw the attention of all our readers to the above article.

GREAT BRITAIN AND IRELAND.

CO-OPERATIVE COW INSURANCE SOCIETIES IN ENGLAND AND WALES. "Journal of the Board of Agriculture". London, No. 10, January 1915, pages 945 to 948.

In this short article are condensed the results of a general inquiry, undertaken at the instance of the Board of Agriculture, into the co-operative insurance of cows in England and Wales. It appears that there are at least 157 societies for this purpose, and a few leading statistics have been obtained for 116 of them. These contained 4,387 members and insured 10,955 cows and calves. The great majority of the members are obviously small farmers, insuring only one, two or three animals apiece. The total assets amounted to £ 11,512, or more than £ 1 per animal insured, and as the amount of compensation paid on animals that died averaged less than 5 s. per animal insured per annum, the majority of the societies are evidently in a sound financial position.

For the small number of the societies which are registered and are, therefore, obliged to furnish annual returns, full statistics are given for the years 1911, 1912 and 1913. For the unregistered societies it was necessary to collect the statistics specially and they are inevitably much less complete, although for 1913 statistics were obtained from 89 unregistered societies. Comparing the two classes of society there seems reason to believe that the registered societies are, on the whole, better and more economically managed than the unregistered ones.

We hope in an early issue of the *Bulletin* to publish an article on the co-operative insurance of cattle in England and Wales, availing ourselves of the information contained in the article under notice and of the numerous detailed studies of particular societies previously published in the "Journal of the Board of Agriculture."

Part III: Credit

GREAT BRITAIN AND IRELAND.

THE SOURCES OF RURAL CREDIT IN IRELAND.

SOURCES (OFFICIAL) :

REPORT OF THE DEPARTMENTAL COMMITTEE ON AGRICULTURAL CREDIT IN IRELAND. Department of Agriculture and Technical Instruction for Ireland. Dublin, 1914. A. Thom and Co., Ltd.

MINUTES OF EVIDENCE, APPENDICES AND INDEX: DEPARTMENTAL COMMITTEE ON AGRICULTURAL CREDIT IN IRELAND. Department of Agriculture and Technical Instruction. Dublin, 1914. A. Thom and Co., Ltd.

In January 1912, the Vice-President of the Department of Agriculture and Technical Instruction for Ireland appointed a Committee " to inquire into the existing system of credit for the rural classes in Ireland ; to suggest what, if any, improvements, not involving financial assistance from the Exchequer, should be made in the system ; and to consider especially the form of agricultural credit most suitable to the requirements of the occupiers of land affected by the Land Acts in the Western districts and throughout the country generally."

As pointed out by the Committee, the fact that in Ireland, through the operation of the various Land Purchase Acts, an elaborate and highly successful machinery for the transfer of the land to tenant-purchasers has been for some time in existence, under the control of the Irish Land Commission and the Estates Commissioners (1), rendered

(1) See the articles on the work of the Land Commission and the Estates Commissioners in the *Bulletin* of October 1911, June 1913 and January 1914.

it unnecessary to include in the Terms of Reference that branch of rural credit which deals with State advances to farmers for the acquisition of their holdings. This consideration, the Committee point out, strikingly differentiates the case of Ireland from that of countries where the difficult and fundamental question of funds for land purchase necessarily occupies a prominent place. With this important exception the Committee made a careful and exhaustive study of the various sources from which the rural classes obtain credit, and their Report contains abundant information, much of which could with difficulty be obtained elsewhere.

The Report, we note, has received high praise in official and other publications of various contries; it undoubtedly represents the result of one of the most thorough investigations yet made into the financial position and resources of the farming classes of any country.

We shall give seriatim a brief resumé of the results of the Committee's inquiry regarding the various sources of credit, together with their conclusions and recommendations.

§ 1. Joint stock banks.

First amongst the sources considered by the Committee are the Joint Stock Banks, which have attained to a remarkable development in Ireland, as in England and Scotland.

The first Irish joint stock bank, the Bank of Ireland, was founded in 1783, by an Act of the Irish Parliament which prohibited any other company of more than six persons from issuing notes payable on demand or within any period less than six months. In 1821, however, the formation of other banking companies was authorised outside a radius of fifty Irish miles from Dublin and this restriction was finally removed in 1845.

The number of banking companies formed has not been large, but the numerous branches and sub-branches of the existing nine joint stock banks form an extensive banking system, which appears to be still in process of rapid development. In 1850 the number of offices open was 174. During the next ten years the number increased slowly, only reaching 180 in 1860. The following decade the increase became rapid and sub-branches and agencies began to be opened. In 1870 there were 285 branches and 19 sub-branches and agencies. The total number of branches, sub-branches and agencies increased to 479 in 1880 ; 569 in 1890 ; 661 in 1900 and 809 in 1910. It had further increased, according to the latest available figures, to 853 in April 1913.

A map attached to the Report shows how wonderfully the branches of joint stock banks are distributed throughout Ireland, but the Committee notes that there are, nevertheless, many considerable tracts of country, some of them fairly well populated, where no branch yet exists. It is not at all unusual for farmers to have to make a journey of ten to fifteen

miles to the nearest bank. Moreover, 38 per cent of the branches are open only on market or fair days.

The number of inhabitants per banking office in Ireland was 5,220 and the number of square miles per office 38.5, but as very frequently there are several offices in the same town these figures do not afford any precise indication of the distribution of banking facilities.

A remarkable fact in connection with the joint stock banks is the rapid increase in recent years of the total deposits and cash balances. The following table shows the increase since 1840:

TABLE I. — *Deposits and Cash Balances in Irish Banks.*

Year	Amount of Deposits and Cash Balances on 31st December. £
1840	5,568,000
1850	8,269,000
1860	15,609,000
1870	24,366,000
1880	29,746,000
1890	33,325,000
1900	43,280,000
1910	54,936,000
1912	57,651,000
1913	62,142,000

The Committee is cautious in its interpretation of these figures. In the absence of any complete figures relating to indebtedness, they do not furnish any measure of the growth of net savings, but taken in conjunction with the steady increase in the Post-Office Savings Bank deposits (which we shall have occasion to note presently), they are, in the opinion of the Committee, an indication of the growing economic prosperity of the country.

A considerable proportion of the money deposited in joint stock banks is used by borrowers for productive purposes, either in industry, commerce, or agriculture, but the Committee was unable to ascertain what proportion of this capital is utilised outside Ireland by the Irish banks. The sums on deposit in the Post Office Savings Bank are all transferred to England for investment in Government securities, and would furnish ample funds for supplying the credit required in rural districts if they could be diverted to this object.

In spite of their extensive distribution and their willingness, as far as the nature of their business will permit, to adapt themselves to the requirements of the farmers, the joint stock banks do not seem to be able to satisfy the needs of the small farmer, nor, indeed, of the agricultural industry generally.

Loans for three or four months are readily granted at reasonable rates of interest, provided the borrower can find satisfactory sureties, and, in approved cases, the loans are renewed. The expense and loss of time to both borrower and sureties in obtaining the loan and the repetition of these expenses every time the loans is renewed, make the system costly to the borrower, especially in the case of loans of small amount.

To the large farmer, the system appears to be fairly satisfactory, but, in regard to the small and medium farmers, the evidence conclusively showed that the present methods of obtaining small loans from Joint Stock Banks were unduly expensive to the borrower, even though the actual rate of interest charged were moderate.

It is not always easy for the small farmer to obtain sureties satisfactory to the Joint Stock Bank, and, when sureties have been obtained, expenses are incurred in taking them to the nearest town where there is a banking office and in entertaining them. These additional expenses, it is estimated, often bring the cost of a small loan up to 15 or 20 per cent. Nor does the expense end here ; in many cases a surety will exact some benefit in return for his loss of time — a day's work, the grazing of an animal, the loan of a horse, or some similar service. The borrower becomes, in fact, under an obligation to a neighbour, and this is a source of further expense to him.

Another reason why, in the opinion of the Committee, the credit offered by the joint stock banks is not fully adapted to the needs of small farmers is that no account is, as a rule, taken of the purpose for which the loan is granted, and thus injury is frequently done to borrowers where credit is supplied without due safeguards for its proper use.

§ 2. Post Office and Trustee Savings Banks.

There are, in Ireland, two classes of savings banks, the Post Office Savings Bank and the Trustee Savings Banks, but, unlike the savings banks in many other countries, they do not serve as sources of credit. The large deposits which they have attracted indicate, however, that, even in the rural districts, there is no real lack of capital for supplying the credit required, if only it could be directed into the proper channels.

The trustee savings banks, the characteristic feature of which is that the money deposited is invested (subject to many restrictions imposed by successive Acts of Parliament) by a group of persons acting as trustees, were first formed early in the last century and the total amount of deposits, which had reached £ 2,177,000 in 1840, have not shown any great

tendency to expand. At times, indeed, they have fallen considerably below this figure, but in 1913 they amounted to £2,612,000.

The funds deposited in the Post Office Savings Bank, which was first established in 1861, have increased with quite remarkable rapidity. Amounting to £1,556,000 in 1880, they increased to £3,273,000 in 1890; £8,059,000 in 1900; and £11,931,000 in 1910. In the two following years the increase continued to be very rapid. In 1912 the deposits amounted to £12,824,000 and reached £13,167,000 in 1913. That a very large proportion of this sum is drawn from rural districts is clearly shown by the returns for each post office. In many districts, quite remote from urban and manufacturing centres, the deposits amount to many thousands of pounds. The Committee expresses the opinion that grave economic injury is done to Irish rural districts by the withdrawal of these sums for investment in Government securities, and points out that if even a tenth of the money could be retained in the country for lending to small and medium farmers and labourers for reproductive purposes, enormous assistance would thereby be rendered to the economic progress of Ireland.

§ 3. Money lenders.

Evidence obtained by the Committee showed that it was not only the reckless and spendthrift borrower who had recourse to the professional usurer; but that many small and medium farmers, finding themselves in temporary financial difficulties and wishing to conceal their position, also obtained money in this way.

A proof that a large business is done in Ireland by money-lenders is found in the fact that their advertisements in the newspapers circulating in rural districts are very numerous. The advertisements rarely indicate the rate of interest charged. If they do give any such information, it is usually a mere indication of the terms of repayment, such as " Loans of £5, repayable weekly 2s. or monthly 8s., " which affords no clue to the actual cost of the loan. Occasionally it is stated that the interest charged is " 5 per cent., " but this may mean 5 per cent. per month or even per week. The charging of a special fee for inquiry often further increases the cost of the loan.

Legislation has, it is true, been passed with a view to preventing money lenders from charging excessive interest, but it has proved ineffectual owing to the unwillingness of borrowers to face the publicity of a law-court. The Committee are of opinion that further legislation is desirable in order to curb the activity of the money-lender, but do not think it would be practicable to fix a maximum rate of interest. Nor are they sanguine that usury will be much diminished until a wide-spread system of credit, suitable to the needs of the small rural borrower, has been established in Ireland.

The Chief Registrar in Bankruptcy in Ireland, who had exceptional opportunities of acquiring knowledge of the facts, declared in his evidence before a Select Committee in the year 1898 that usurious transactions in Ireland were increasing largely. The statement is borne out by the increase in the number of money-lenders registered in Ireland under the Money-lending Act of 1900. Under this Act a money-lender's licence must be renewed every three years from the date of registration and in each third year since 1906 there has been a marked increase in the number registered. Thus the number registered in 1906 was 67 ; in 1909 it was 77 and in 1912 it was 118.

It was suggested that one reason for the increase of usurious transactions was that, under the Land Purchase Acts, the farmers are acquiring a greater negotiable interest in their land, and so are becoming more promising customers for money-lenders; but, on the other hand, there is evidence that, in some districts at any rate, the new tenant purchasers have shown extreme caution in borrowing upon the security of their holdings. The Committee, therefore, think that no safe generalisation can be arrived at as to the precise influence of land-purchase in Ireland upon the relations of farmers with money-lenders. They express the opinion, however, that, at the present time, when the soil of Ireland is passing on a vast scale into the hands of peasant proprietors, special precautions should be taken to prevent the farmers from becoming the victims of the wiles of professional usurers.

§ 4. "Trust" or "credit" auctions.

An ingenious, but most injurious, form of money-lending has been devised in Ireland in connection with the sale by auction of cattle or standing crops. It is known as the "trust" or "credit" auction.

There are many variations of the trust auction, but the most harmful type is thus described in the Report : " A farmer in need, say, of £10 ready cash, with little prospect of obtaining the same from a bank or a friendly neighbour, brings in one of his cows to the auction. The animal is put up for sale, and is bought by a friend (often by a son or brother) of the seller. In many cases the friends of the latter, by their bidding, run the price up to a much higher figure than the animal is worth. A bill at three, four or six months, signed by one or two sureties, is given by the purchaser to the auctioneer, who usually discounts it in a joint stock bank, and pays cash, less the discount, to the seller, charging also the usual 5 per cent. auction fees. The seller of the cow then brings home the money, the obtaining of which was his sole object in going to the auction, while the nominal purchaser drives the cow back to the field or byre from which she came. The proceeds of the transaction are in some cases divided between the parties. "

A witness told the Committee of a case where a farmer raised £10 on a cow by selling her to his son at an auction. The next day the same cow was sold by the son and bought by the father, so that £20 was raised on the one animal in two days. Other animals have been known to bring in £70 or £80 to the owner in a short space of time, being taken about from auction to auction.

Obviously the system can only lead to disastrous results. When the auctioneer's bill becomes due, it has to be met, and the farmer who obtains money through the trust auction rarely applies it to productive purposes. Even if he had done so, the time is too short for the investment to have brought in a return. To meet the bill, the performance is again gone through with a more valuable animal, and the farmer becomes more deeply involved in debt.

The cases in which the sale is a fictitious one are not, however, a large proportion of the trust auction sales which take place. Cases are frequent in which a needy farmer will buy an animal at an auction, giving a bill for the money and selling the animal the next day at another. Often he will sell the animal for less than the price he paid for it and thus to obtain (say) £8 he has given a bill for £10. A curious result of this system is that at trust auctions higher prices are obtainable for animals than at ordinary fairs where, as a rule, transactions are upon a cash basis. The purchasers on credit do not consider closely the value of the animals they buy, so that inferior animals are freely bought at trust auctions which would be scarcely saleable at ordinary fairs.

The "trust auction" originated in County Donegal and is practised chiefly in the Northern Counties. There is evidence, however, that it is spreading to other parts of Ireland and even to Scotland.

The Committee noted that, whereas it is chiefly the pecuniarily embarrassed farmers who resort to trust auctions, even industrious and deserving farmers are frequently found at such auctions. "In our opinion," says the Report, "one of the most convincing proofs that existing credit facilities do not fully meet the special requirements of the smaller farmers of Ireland is the fact that so many honest and creditworthy men find it necessary to fall back upon money-lenders and trust auctions as a source of capital in their times of difficulty."

§ 5. Credit advanced to farmers by shopkeepers.

While the credit advanced to farmers by shopkeepers still plays a large part in the rural economy of many districts in Ireland the evils attendant upon this form of credit have largely diminished in recent years. Formerly a type of local money-lender, known as a "gombeen man," was not uncommon, whose practice it was to advance money at high rates of interest and so cripple the necessitous farmers with indebtedness that they become almost helpless victims in his hands. The "gombeen man"

was often a shopkeeper and his debtors were unable to transfer their custom to another shop, through fear of being prosecuted for the amount due by them.

This type of money-lending shopkeeper has, happily, largely disappeared, owing to the greater facilities offered by the joint stock banks, the opening of competing shops and, in some districts, the starting of co-operative credit societies.

Nevertheless the system of giving credit to farmers for considerable periods in respect of purchases of agricultural or household requirements still continues. In itself an economic necessity, the system becomes injurious when over-indebtedness results and the farmer finds himself restricted to purchasing his requirements from a single source. The evil effects are increased in some districts by the fact that the shopkeepers purchase much of the farmers' produce, entering the price as part-payment of the debt, and often giving prices lower than the real value of the produce.

The evidence before the Committee showed that indebtedness to shopkeepers was increasing in some districts and decreasing in others, but it is thought that with the improving material condition of the new tenant-purchasers and their greater sense of the value of economic independence, it will, on the whole, steadily diminish. At present, however, it is undoubtedly excessive.

Somewhat similar to the credit given by shopkeepers is that given by co-operative agricultural societies. The society obtains an overdraft from a joint stock bank and buys seeds, manures, etc., for cash, taking advantage of the cash discount offered by the wholesale firms. The members amongst whom the requirements purchased are distributed are given credit until the autumn.

This form of credit, in the opinion of the Committee, is highly desirable and must often prove a boon to small farmers. Less beneficial, however, are the loans sometimes advanced by co-operative creameries to their members, which are repaid by means of the milk supplied; in many cases the results of this form of credit are far from beneficial.

§ 6. The Loan Fund Board System.

The Report deals at considerable length with the so-called Loan Fund Board system in Ireland. This system was described in outline in the *Bulletin of Economic and Social Intelligence* of January, 1912, but a study of the defects and failures of the system throws so much light on many of the problems of rural credit that we shall extract from the Report a somewhat fuller account.

As early as the eighteenth century, various associations of benevolent persons were formed with a view to making small loans of money to the poor classes to enable them to purchase implements of trade. These

which became known as "Loan Fund Societies," were chiefly intended to assist town workers rather than agriculturists.

Towards the beginning of the 19th. century, various associations were formed in London with a view to improving the condition of the Irish peasantry. Loans were advanced through the medium of local committees in Ireland. A severe famine occured in Ireland in 1822 and a sum of £331,081 was subscribed for the relief of distress. After the immediate distress had been relieved a sum of £40,000 remained in the hands of the Committee in which the fund was vested. Some of the local Relief Committees were also left with a surplus, and a total fund of £55,000 was found to be available. Under Acts of Parliament passed in 1823 and 1829 this fund was vested in County Boards of Trustees in ten Irish counties, which issued loans through the medium of local associations. To distinguish them from the existing "loan fund societies," these new associations were called "The Irish Reproductive Loan Funds."

The County Boards were subject to the control of a Board of Directors in London which, in 1844, obtained a Charter of Incorporation. Very quickly, however, laxity and even dishonesty was found to be prevalent in the working of the local associations and in 1848 (the year following that of the very severe famine of 1847) the London Board of Directors was dissolved by Act of Parliament and the money in hands was placed at the disposal of the Lord Lieutenant for application to such useful purposes as he might think proper, subject to the sanction of the Treasury. The fund was chiefly used for the encouragement of fisheries and is now vested partly in the Congested Districts Board and partly in the Department of Agriculture and Technical Instruction.

In the year 1823 special legislation was passed to encourage the formation of "Charitable Loan Societies." Any number of persons desiring to form such a society were authorised to do so. The societies were not allowed to make loans of more than £10 to any individual within twelve months, but they might make loans up to £100, repayable with interest in 12 months, to groups of three or more solvent persons, on their joint and several security. Implements of trade supplied by a society could not be distrained upon except at the suit of the society itself.

The Trustees or Managers of charitable loan societies were not allowed to receive any remuneration, but the clerks employed could receive salaries and expenses. This quickly gave rise to abuses. Members of the families of directors were in some instances largely remunerated and a very wide interpretation was placed on the expression "all necessary expenses." Accordingly in 1836 an Act was passed by which a central board of commissioners, entitled the "Loan Fund Board," was appointed to supervise the working of the societies.

The same Act prohibited the making of any loan on personal security to any on individual at any one time exceeding £10 in amount, and the making of another loan until the previous one had been repaid. It authorised the societies to charge interest at a rate not exceeding 6d. in the pound for 20 weeks, and to require the payment of the interest in advance. The

Trustees of a society were empowered to devote surplus profits to local charitable purposes. In certain events, such as the dissolution of the society, the approval of the Loan Fund Board was required for the appropriation of the profits.

Two years later, in 1838, a further Act was passed, which withdrew the Irish Reproductive Loan Fund Societies from the control of the Loan Fund Board. According to the Report for 1842 of the Loan Fund Board there were in that year about 100 societies exempt from their control and about 30 other societies at work which illegally claimed to be exempt.

Abuses again began to be apparent in the working of the societies and a further Act was passed in 1843. It authorised a rate of *discount* on loans not exceeding 4d. in the pound for 20 weeks, a considerable reduction of the rate authorised by the Act of 1836. It also empowered the Loan Fund Board to permit societies to lend funds at *interest* not exceeding 1½d. per pound per month, repayable by instalments at intervals of not less than 27 days.

The number of loan fund societies reached its maximum (300) in 1842, but the capital and circulation reached their highest figures in 1845, although the number of societies had fallen to 245. In that year the capital was £444,427, and 507,339 loans were granted to a total amount of £1,857,457. The great famine of 1847 brought about a heavy decline in the business of the societies, the number of loans in that year being almost 240,000 less than in 1845, and their total amount £906,750 less. The decline was due in the main to the withdrawal of deposits. Confidence in societies issuing loans to the humbler classes in Ireland was shaken by an economic disaster which brought numbers belonging to those classes to absolute starvation. Many persons, too, who had deposited their savings with the loan fund societies withdrew them for the purpose of emigrating. Many societies failed in 1847 on account of the inability of the peasants to meet their engagements, and others owing to the embezzlements of fraudulent clerks who accounted for the missing money by pretending that the borrowers had died, emigrated to America or gone to the poor house without repaying their loans.

Other causes besides the famine contributed to the decline. The Loan Fund Board was endeavouring to close the societies of doubtful character; while the bad management of some of the societies and the operations of uncertified societies were already tending to bring the system into disrepute.

A Committee of the House of Commons was appointed in 1855 to inquire into the working of the loan fund system, and the evidence showed that grave abuses were prevalent. The expenses of management were unduly heavy and in order to make good the losses which would otherwise have occurred, the societies had recourse to illegitimate sources of revenue. They levied excessive fines for delay in the repayment of instalments, and made heavy charges for cards and papers. These charges

enormously increased the expense of the loan to the borrower, bringing it often up to 20 or 25 per cent.

The House of Commons Committee of 1855 ascertained that there was a general, though wholly erroneous, impression that deposits in a loan fund society were guaranteed by the Government, and it appears from evidence given before the Departmental Committee on Agricultural Credit that this misapprehension is still prevalent.

In their Report, the Committee of 1855 drew attention to the inadequacy of the powers of the Loan Fund Board; urged the necessity of frequent and efficient inspections; recommended that steps should be taken to prevent the levying of excessive fines; that surplus profits should be carried to a reserve fund; and that after a sufficient reserve had been created, the interest charged to borrowers should be lowered to an amount sufficient merely to pay expenses. Unfortunately no direct action was taken as a result of the Report.

The operations of the societies continued to decline, but in 1874 the loans granted amounted to the still fairly large sum of £523,048. In 1896 a Committee of Inquiry was appointed and presented a report which showed that abuses and defects not only existed but were very general amongst the societies.

The Committee of Inquiry found that

(*a*) An almost universal overlapping of districts existed.

(*b*) The management was usually left in the hands of the clerks, without adequate supervision by the committees.

(*c*) The maximum salaries allowed by the rules were usually paid to the clerks, the average being £96 10s. per annum, although this was usually excessive having regard to the duties performed, and the same persons frequently acted as clerk to several societies, with salaries totalling from £200 to £600 per annum.

(*d*) Excessive rent was often paid for office accommodation, especially when the clerk of the society was landlord, and treasurers frequently received remuneration under the heading of "incidental expenses."

(*e*) The majority of the societies had become merely private money-lending offices, charging the maximum rate of discount to borrowers and making loans indiscriminately without regard to the character of the borrowers.

(*f*) Fines had everywhere been made a source of revenue and were everywhere calculated on the maximum scale.

(*g*) Renewals of loans had been the practice in the majority of the societies and, with the infliction of fines, often caused the rate of interest paid by borrowers to exceed 20 per cent. per annum, not including the expenses of bringing in sureties, etc.

(*h*) The needs of agricultural borrowers were not met by loans repayable in weekly or monthly instalments, since such borrowers could not obtain a return from the expenditure of the loan until the end of seven or eight months.

The most serious abuse discovered was the practice of giving renewals. It was ascertained that thousands of poor people had been kept permanently in debt at a high rate of charge for long periods—ten, twenty and even forty years—long after the loans had ceased to be of productive utility to the borrowers. The Committee of Inquiry recommended that a clear interval of at least one week should elapse between the payment of the final instalment of one loan and the issue of another to the same individual.

The Report of the Committee of Inquiry further shook public confidence in the loan fund system, and the number of societies declined from 102 in 1897 to 82 in 1898, with successive declines in subsequent years, until it now stands at 51. The amount of loans granted similarly declined from £341,464 in 1897 to £190,846 in 1912. It should be noted, however, that it was about 1896 that co-operative credit societies began to be formed, and that the number of branches of joint stock banks has greatly increased since that year. This increase in credit facilities has further contributed to the decline of the loan fund system.

Another cause which helped to reduce the operations of the loan fund societies was a legal decision given in 1896 that renewals of notes purporting to be given under the Loan Fund Act could not be sued under that Act. The difficulty of recovering the arrears of money due in respect of renewed loans was removed by Acts of Parliament passed in 1900 and 1906, but in the meantime many societies were dissolved and the business of others was reduced by the withdrawal of deposits.

In 1912 a Viceregal Committee was appointed to inquire into the financial position of the Loan Fund Board, but reported that the time had come to determine whether the Board could continue to exist, circumstances having changed since it was established in 1843.

The Departmental Committee on Agricultural Credit has, by special desire of the Irish Government, inquired into the Loan Fund System with a view to ascertaining how far it is adapted to the requirements of the agricultural classes, and from this point of view expresses the opinion that it is essentially defective.

One of the principal defects lies in the constitution of the loan fund Societies, more especially in the arrangements for the appointment of Committees. The number of members is usually small and though the election of the committee nominally takes place at an annual meeting, it is practically a process of co-option. The committees are, very frequently, apathetic in the performance of their duties, and leave too much responsibility to the clerks.

The system of weekly repayments is quite unsuitable for the purposes of agricultural credit. It was originally devised for industrial loans, but the majority of the borrowers have long been agriculturists. Thus in 1911, no less than 61 per cent. of the borrowers were farmers. Nor is the system of monthly repayments much better adapted to the requirements of agricultural borrowers, especially as the practice has been to limit the period of the loan to five months, though a more extended period would have been permissible under the Act of 1843.

The rates of interest charged on the loans, are unduly high. The following are some of the more usual rates charged by loan fund societies:

TABLE II. — *Rates of Interest Charged by Loan Fund Societies.*

Charges made	Rate of Interest per £100 per annum		
	£	s.	d.
(*a*) Discount of 4d. on loan of £1 for 20 weeks, repayable in weekly instalments	8	5	6
(*b*) Interest at 1½d. per £1 per lunar month (28 days)	8	2	11
(*c*) Discount of 4d. on loan of £1 for 20 weeks, repayable in (lunar) monthly instalments	7	4	10
(*d*) Discount of 6d. on loan £1 per 20 weeks, repayable in (lunar) monthly instalments	10	17	2
(*e*) Discount of 7½d. on loan of £1 for 20 weeks, repayable in (lunar) monthly instalments	13	11	7

As has been already noted, the cost of the loans to the borrowers is frequently increased by the imposition of fines for tardiness in repayment.

Many witnesses advocated the increase of the maximum amount of a loan from £10 to £20 or £30, and the Committee recommend that, in any legislation dealing with loan fund societies they should, in this respect, be assimilated to the agricultural credit societies, which are empowered to grant loans up to £50 in amount.

The evil of excessive salaries was found to be still prevalent, though the average per society had fallen from £96 10s. in 1896 to £74 in 1912. Cases were noted where the salaries paid amounted to 10.1, 10.5, 11.5 and 18.8 per cent of the working capital. One society, with a capital of £3,409, of which only £1,709 was actually in circulation on December 31st., 1912, pays annually £245 to four officials, although the number of loans issued average only 22 per week, or 3 per day.

Nor are the salaries the only expenses of management, so that in many cases the total expenses are far beyond what is required, and even though much of the capital, being original subscriptions or unappropriated profits, is held free of interest, and high rates of interest are charged on the loans, losses result in the year's working.

In the year 1912, there were 51 societies still in existence, and their aggregate working capital at the end of that year amounted to £79,979, of which £56,001 was held free of interest.

"The capital thus held entirely free of interest by forty-nine of the fifty one loan fund societies," says the Report, "is almost precisely the same in amount as the total capital, £56,554 (including deposits,

State advances, and bank overdrafts), held by over 170 credit societies in Ireland in December, 1911, at from 3½ to 5 per cent. In spite of holding such a large amount with no cost for interest, the loan fund societies usually lend it out at the rate of from 7 to 8 per cent, and in some cases at 10 and even 13 per cent; while the credit societies though borrowing at from 3½ to 5 per cent, usually charge borrowers only 5 or 6 per cent. The contrast is, to say the least, very striking: and is all the more suggestive when we find such cases as that of the Antrim Society which with £4,057 in free capital, finds a demand for only a little over £1,000 (at 7 per cent interest) and keeps £3,000 locked up in Government securities, or the Londonderry Society, which with £3,409 in free capital, similarly finds a demand for only one half this amount at from 8 to 11 per cent per annum... In view of the incontrovertible fact that very large numbers of small farmers and labourers in all parts of Ireland are, as shown by the evidence at our Inquiry, greatly in need of a system of loans, especially in the spring-time, for current expenditure and not repayable until the autumn or winter, it is a matter for the deepest regret that the loan fund system, which might have done so much—even under the actual and supposed limitations of the Act of 1843—should have failed so completely in many cases, especially where considerable sums of free capital were available, to do much more than provide salaries to officials to the detriment of the interests of borrowers."

The Committee recommend that the Loan Fund Board should be discontinued, its functions being transferred to the Department of Agriculture, and that the loan fund societies should be converted into agricultural credit societies, which they hold to be far more suitable agencies of rural credit.

§ 7. Co-operative agricultural credit societies.

We come now to that portion of the Committee's Report which relates to co-operative agricultural credit societies. As we have already published accounts of the co-operative credit movement in Ireland, and the system is familiar to readers of the *Bulletin of Economic and Social Intelligence*, we shall pass lightly over the sketch given by the Committee of the growth of co-operative credit in Ireland, contenting ourselves with noting that whereas the number of registered agricultural credit societies in 1911 was 308, the Committee, after careful investigation, came to the conclusion that, at most, 176 societies were in actual operation and that, even of these, many were in a state of stagnation; that the membership in 1911 was reported as 19,505, and that the total loans granted durng the seventeen years ended 1911 amounted to about £500,000, the recent average being about £55,000 per annum.

The Committee made a close study of the working of the existing societies and, while acknowledging the merits of the system and the ex-

cellent work done in many cases, noted many defects which it would be desirable to remove.

(a) *Liability of Members in Credit Societies.*

The Report discusses at some length the question whether it is desirable that the liability of members of credit societies should be limited or unlimited, and comes to the conclusion that the adoption of unlimited or limited liability is not so much a matter of principle as of expediency and of adaptation to varying economic and social conditions.

The chief argument in favour of unlimited liability put forward by witnesses was that it was requisite to ensure careful management, but the Committee remark that it is possible greatly to over-emphasize its efficacy in this respect and that in many credit societies in Ireland, where the liability is unlimited, the members have not looked closely after their own interests.

Unlimited liability has, the Committee maintain, the tendency to exclude the more substantial farmers from becoming members. They express the opinion that the co-operative credit movement in Ireland would have made more satisfactory progress if a larger number of substantial members had from the beginning given their aid.

It is recommended, then, that when a credit society is being organised the relative advantages of both systems should be explained and the choice left to the persons desirous of forming the society. The Committee has prepared a set of draft rules for limited societies, under the existing Industrial and Provident Societies Acts, with share capital, each share being £5 in value with 5s. paid up, and also draft rules for unlimited liability societies, under the Friendly Societies Acts. They point out, however, that the existing Acts of Parliament are unsuitable for credit societies and urge that special legislation should be passed dealing comprehensively with the whole subject.

(b) *Deposits in Credit Societies.*

The obtaining of deposits by credit societies is important both as a source of capital and as an incentive to thrift. A few credit societies in Ireland have been exceptionally successful in obtaining deposits, but on the whole the Committee consider the results of the co-operative credit movement in Ireland to be extremely disappointing in this respect. Of 163 societies whose returns appeared in the last published Report of the Irish Agricultural Organisation Society, 65 societies, or 40 per cent, had obtained no deposits whatever. Of 98 societies returned as having deposits, 37 held deposits of less than £100 in amount. Moreover out of the total of £27,290 held in deposits by 98 societies, £14,154, or more than one-half, was held by 14 societies.

The deposits amount to an average of only £850 per county, a sum which the Committee consider should be available in almost every parish

in the country for the purpose of a credit society, if the confidence of small depositors could be secured.

To attract deposits security is more important than a high rate of interest, and many witnesses urged the desirability of some form of Government guarantee. This the Committee do not recommend. They think, however, that with an adequate system of Government inspection and control the credit societies would obtain the confidence of the public.

They recommend that a maximum rate of $3\frac{1}{3}$ per cent. should be paid to depositors. This would exceed by almost 1 per cent the rate paid by the Post Office Savings Bank, and would leave an ample margin for profit if the deposits were all lent out. Further it is lower than the rate charged by joint stock banks or State Departments on money advanced to credit societies, and so there would be an inducement to the societies to encourage deposits rather than to obtain the money from banks or the State.

It is more advantageous to a credit society to obtain small deposits than large ones, and the Committee recommend that a lower rate of interest should be paid on large deposits and that longer notice of withdrawal should be required.

(c) *Surplus Deposit and Central Credit Institutions.*

Whereas in Ireland the difficulty experienced by credit societies in obtaining additional capital during the seasons when the demand for credit is largest has been partially solved by the willingness of the joint stock banks to make advances to them in the form of overdrafts, the question how to deal with deposits in excess of the borrowing requirements of the members has never been satisfactorily solved. The two problems are closely related since, in most countries, there are central institutions which accept the surplus deposits of some societies and lend these funds to other societies which have need of additional capital.

The Committee examines the different types of Central Bank which are found in various countries and discusses whether any of these types could with advantage be adopted in Ireland. They come to the conclusion that it is not desirable, at the present stage of the movement, to establish a central co-operative bank in Ireland. They consider that it is the soundest policy at present for the credit societies to accept only such deposits as are found, on the average, to be sufficient to furnish the loans required by members, relying for additional capital or for the means of repaying unexpected withdrawals of deposits upon their power to obtain overdrafts from the joint stock banks. A tendency to excessive deposits could be met by lowering the rate of interest.

At the same time the Committee recognise that if credit societies become much more numerous than at present it may be desirable to establish a central co-operative bank.

It appeared, in the course of the Inquiry, that credit societies registered under the Friendly Societies Act have not power to place surplus funds on deposit in any joint stock bank except the Bank of Ireland,

and the Committee recommend that this power should be conferred upon them.

(d) *The Question of Trading Powers for Credit Societies.*

In view of the desire which has been expressed during the past few years that credit societies should be empowered to do trading, the Committee considered carefully whether it was advisable that such powers should be conferred. After reviewing the practice, in this respect, of Continental countries, and the arguments advanced in favour of trading powers, they came to the conclusion that the disadvantages of combining trading with credit business greatly outweighed the advantages.

They point out that the qualifications required for satisfactorily filling the positions of secretary to a trading society are different from those required in the secretary of a credit society, and that the difficulty of finding a suitable secretary would probably be increased if credit societies undertook trading; that a trading society can, as a rule, more profitably operate in a larger area than a credit society; that there would be difficulty in keeping the banking and trading accounts of a single society separate, and that the secretary would be tempted to devote himself to the more profitable branch of the work; that a society which combined banking and trading would not attract deposits to the same extent as a society which only did credit business, and would be unable to count upon the facilities for obtaining overdrafts now afforded by the joint stock banks.

(c) *Loans made by Credit Societies.*

Passing on to consider the advances made by credit societies in Ireland, the Report presents the following table showing the amount of loans granted in each year since 1895 with the number in each year since 1901:

TABLE III. — *Loans made by Credit Societies.*

Year	Loans advanced	
	Number	Amount £
1895	—	100
1896	—	388
1897	—	475
1898	—	3,306
1899	—	5,550
1900	—	7,270
1901	2,534	10,459
1902	3,241	15,447
1903	3,722	20,435
1904	5,822	31,742
1905	7,453	43,641
1906	8,447	50,264
1907	9,046	53,112
1908	8,926	56,004
1909	9,213	57,640
1910	8,618	55,855
1911	7,967	56,055
1912	8,522	58,244

These figures indicate that the number and amount of the loans have remained almost stationary for the past seven or eight years, and that the amount annually granted is trifling in relation to the credit needs of small agriculturists. The loans have, however, in the opinion of the Committee, unquestionably proved a boon to many struggling small farmers.

As the total capital of the societies in 1911 was £56,554, it appears that the capital is turned over almost exactly once in the year.

The undesirable practice of renewing loans has, it appears, become prevalent in many societies. In 1910 an Inspector appointed by the Department of Agriculture reported that out of 103 societies which then held loans from the Department, 56 societies frequently granted renewals. This is, in the opinion of the Committee, one of the most serious defects possible in a credit society, and they urge that at least one month should elapse between the repayment of one loan and the granting of another. The chief safeguard against renewals would be, however, the stringent carrying out by Committees of the Rule that " loans shall only be granted for some pro-

fitable or productive purpose, or one which will effect a saving or economy to the borrower," and the refusal to grant further loans to persons who have proved habitually irregular in repayment.

The unwillingness of farmers to allow their financial needs to become known to their neighbours is noted as one of the reasons for the slow growth of co-operative credit in Ireland, and it is urged that greater secrecy should be observed on the part of the committees.

In regard to the period of repayment, the Committee approve of existing arrangements, except that they think the maximum period should be fixed at three years. They maintain that, in Ireland, it is undesirable to adopt the current account system in credit societies; the safest plan, in their view, is that loans, definite in amount, should be made for definite periods and for definite purposes, approved of in each case by the Committee.

In view of the undesirability of allowing cash to remain longer than necessary in the hands of the Secretary or Treasurer, the Commitee urge that where possible all the transactions of a Society, including the making of loans and the refunding of deposits, should be made by means of cheques on the joint stock bank in which the society's current account is kept.

Under the Friendly Societies Act, a credit society cannot advance more than £50 to any one member, and evidence was given that not more than a dozen loans of £50 have been made by the societies in Ireland. The average loan granted in 1911 was £7; in 1910, £6 10s.; in 1909, £6 5s.; in 1908 £6 5s. The Committee urge that the maximum of £50 should be retained, and that, in limited liability societies no member should be allowed a loan exceeding £5 for each £5 share held by him.

In regard to the rate of interest charged upon loans, the Committee recommend that the normal rate should be 6¼ per cent, equivalent to 1¼d. per £1 per month. In conjunction with the proposed rate of 3⅓ per cent. interest to be paid on deposits, this would leave a sufficient margin of profit.

The rate of interest on loans could be reduced when the reserve fund reached a certain amount, say £300. In 1911 the average reserve fund of the societies was about £25, and only one society had a reserve fund exceeding £300.

Incidentally, in reference to loans for the purchase of live stock, the Committee note the great need in Ireland for a system of mutual live-stock insurance.

They further point out that the agricultural labouring class is likely to derive considerable benefit from the extension of the co-operative credit movement. The joint stock banks are not able to make advances to labourers, but there is a large proportion of labourers amongst the borrowers from the loan fund societies. Their needs, however, in respect of the funds required for the proper cultivation of their plots of land, the purchase of a cow, etc., can best be met by co-operative credit societies, and the Committee suggests the organisation of societies catering specially for their requirements.

(f) *Registration, Annual Returns, etc.*

Of 310 credit societies which have been registered in Ireland, almost two-fifths have ceased to exist or never did any business. The Committee express the opinion that it is eminently unsatisfactory that so many societies should have been registered without more reasonable prospect of their success. Of recent years, however, the policy of the Irish Agricultural Organisation Society has been to refuse to form a credit society unless 40 solvent men of the district are ready to sign the application for registration and to pay the membership fee.

While attaching considerable importance to the strict enforcement of the legal obligation of credit societies to furnish an Annual Return, the Committee recommend that the existing Form of Return should be simplified, and that an improved form of account books should be supplied to the societies.

The number of credit societies in Ireland which fail to furnish Annual Returns to the Registrar appears to be increasing. In 1911 there were 308 credit societies on the books of the Registrar, of which 171 failed to furnish returns. Many of these were societies which had never started work after registration and, therefore, had only a nominal existence, but of 193 societies which figured in the Report of the Irish Agricultural Organisation society as working, no less than 56 sent no returns to the Registrar, though only 26 failed to supply the Organisation Society with information as to the business transacted during the year. Some societies, on the other hand, furnished returns to the Registrar, but gave no information to the Organisation Society.

The Registrar expressed to the Committee his intention of taking steps to cancel the registry of the defunct credit societies. He had already struck off the Register about 150 co-operative creameries which were doing no business.

A serious defect noted by the Committee in the working of many credit societies is the absence of any proper arrangements for the safe custody of the books and confidential documents, or even of the cash in hand.

(g) *The Secretaryship of Credit Societies.*

In country districts there is often a difficulty in obtaining the services of a suitable secretary, but the Committee urges that it would be better to abandon the formation of a credit society altogether rather than try to proceed with an inefficient secretary. They maintain that (contrary to the usual practice in Ireland) the secretary should be given some remuneration for his services. Such remuneration should, however, be small not exceeding £10 to £12 a year, and it should in no case be calculated as a percentage of the business done. They also urge that the secretary should always give security for the proper discharge of his duties.

(h) *State Advances to Credit Societies.*

Much interest attaches to the Committee's investigation into the advances made by state departments in Ireland to credit societies and their conclusions regarding the desirability of such advances.

The Congested Districts Board, it appeared, had made advances out of its funds to credit societies in congested areas since 1898, besides contributing to the expense of organising such societies. Advances amounting to £6,920 had been made to 80 societies, and in the case of 23 societies loans amounting to £1,575 had been repaid or withdrawn. The Board does not appear to have suffered any monetary loss in respect of the loans advanced, but some of the societies have been in possession of the loans for many years and have probably come to regard them in the light of a permanent grant.

The following figures show the amount of outstanding advances at the end of each year from 1898 to 1913 :

TABLE IV. — *Advances to credit societies made by the Congested Districts Board: Amounts oustanding.*

Year	Amount oustanding on loan from Board £	Number of Credit Societies concerned
1898	800	13
1899	1,700	24
1900	2,330	29
1901	2,980	36
1902	3,430	40
1903	4,330	47
1904	5,030	57
1905	6,000	68
1906	5,888	65
1907	5,872	63
1908	5,930	64
1909	5,675	60
1910	5,552	60
1911	5,395	57
1912	5,320	57
1913	5,045	54

A member of the Congested Districts Board, in his evidence, expressed the opinion that there was not the same active local control over the

business in the case of societies which were wholly dependent for their capital upon the advances made by the Board. There were 12 such societies in 1911.

The Department of Agriculture, which came into existence in 1901, immediately adopted the same policy as the Congested Districts Board had followed and made advances to credit societies in non-congested areas. The following table indicates the amount of the loans outstanding at the end of each year from 1901 to 1913 :

TABLE V. — *Advances to credit societies made by the Department of Agriculture: Amounts outstanding.*

Year	Amount outstanding on loan from the Department £	Number of Credit Societies concerned
1901	1,350	18
1902	4,655	53
1903	7,455	86
1904	8,835	99
1905	9,813	118
1906	9,433	117
1907	12,913	141
1908	12,263	130
1909	10,021	105
1910	8,498	94
1911	7,852	87
1912	7,074	76
1913	6,523	71

In 1907, when the advances made by the Department reached a maximum, 141 societies held loans from the Department and 63 from the Congested Districts Board. As, however, 23 societies held loans from both bodies, there were 181 societies in possession of state advances. This was equivalent to 80 per cent. of the societies recorded as working, and 96 per cent. of those furnishing returns.

Up to December 31st., 1913, the Department had made advances of £18,442 to 170 credit societies. The loans were granted for eighteen months, but were not usually called in until the society was thought to have obtained sufficient local deposits to be enabled to dispense with the money, or until the money was required to lend to other approved applicants.

In 98 cases, the whole of the loans, to the value of £9,945 were repaid, but in 25 of these cases the Department found it necessary to take legal

action for the recovery of the money and in 36 cases to exert pressure, short of legal action.

In 23 other cases, in which the total amount lent was £1,481, the advances had been partially repaid. Legal action was necessary in 4 of these cases and pressure was exerted in 7 cases.

The Committee regard the failure of so many societies to repay the advances except under pressure as very unsatisfactory. They found on inquiry that one very general cause was the widespread feeling that the loan was in reality a permanent gift. Another reason assigned was the fear that the withdrawal of the advance would weaken the confidence of depositors.

In three cases the Department wrote off as irrecoverable a portion of the advances made to societies; the total amount so written off was £151, equal to 1.3 per cent of the amount repaid.

In 1910 the Department caused a special inquiry to be made into the working of the societies holding loans from it. Of 103 societies which he visited, the inspector classed 22 as "satisfactory," 36 as "fair" and 45 as "unsatisfactory." The causes of the unsatisfactory condition of so many of the societies were reported to be the admission of unsuitable members; the difficulty of finding a competent secretary; the indifference of many committees to their duties; the occasional retention of loan capital by the secretary; the disregard of the object of the loans; the habitual renewal of loans by some societies; the difficulty, in some instances, of obtaining either deposits or a bank overdraft; and, lastly, the careless custody of books and documents.

The Committee note that whereas, in some cases, an advance from the State has encouraged deposits by giving confidence in the security offered, in other cases it has led to a slackening of the effort to obtain deposits. Between 1907 (when the Department of Agriculture ceased making fresh advances to credit societies) and 1911 the deposits increased from 35 to 48 per cent. of the total capital in the societies furnishing returns.

After considering carefully the advantages and disadvantages of State loans to credit societies, the Committee arrived at the conclusion that the disadvantages greatly outweighed the advantages. They recommended, therefore, that the advances outstanding should be withdrawn by a system of gradual repayment spread over 18 months or 2 years so as to give ample opportunity to the societies to adapt their arrangements accordingly. To avoid causing possible hardship, the advances might be allowed to remain in cases where beneficial use was being made of the money and there was no reasonable prospect of the society obtaining capital by means of local deposits or a bank overdraft: such cases, however, should be very exceptional, and on any state advances so allowed to remain, interest should be charged at not less than 3½ per cent.

(i) *Inspection and Audit of Credit Societies.*

" If there has been one aspect of the co-operative credit movement which more than any other has impressed itself upon the attention of the Committee, " says the Report, " it is the paramount importance of an effective and regular system of inspection and audit of the societies. "

At the present time, the accounts of the societies are usually audited by the Irish Agricultural Organisation Society. To avoid congestion the Organisation Society notifies each society in turn when it is in a position to examine the books ; these are then forwarded to the Organisation Society and returned as quickly as possible. Delays, however, occur in some cases on account of the books having been sent in an incomplete state, or for other reasons, and the absence of the books interferes with the business of the society.

The Committee do not consider that the present method is adequate ; they hold that an audit conducted at the office of the credit society itself is essential for the proper safeguarding of the interests of depositors and members. The main advantages of such an audit would be :

(1) The cash in hand would be counted by the auditors ;

(2) The delay and inconvenience caused to the operations of the society by the despatch of its books and accounts to Dublin for audit would be avoided ;

(3) The secretary, treasurer, and any members of the committee would be present to explain to the auditor any matters on which he required information, thus obviating correspondence ;

(4) The auditor, in his turn, would be in a position to give useful advice to the society on the various points raised.

In view of the expense of conducting the audit locally, the Committee recommend that the cost of audit should be borne, wholly or in part, by the State. They do not advise that direct audit should be undertaken by the State itself ; they think it a sounder method that the societies should employ public auditors. Expense might be avoided, as the movement grew, by employing separate auditing firms for specified districts.

On the question of the State supervision of credit societies there was considerable divergence of opinion amongst the witnesses. Some witnesses expressed disapproval of State inspection or supervision ; others considered it necessary for the protection both of depositors and of borrowers. This divergence was also found amongst the members of the Committee. The majority recommended that the inspection and supervision of credit societies should be undertaken by the Department of Agriculture, but three of the members dissented from this recommendation.

In support of state supervision it was urged that even if the Irish Agricultural Organisation Society had the funds necessary adequately to supervise the credit societies it has not so much power as the State to enforce improved methods on unsatisfactory societies.

The majority of the Committee (the same three members dissenting) recommended that the Department of Agriculture should undertake also

the organisation of co-operative credit societies with the assistance of the County Committees of Agriculture and the Itinerant Agricultural Instructors. Where it was not possible to utilise the services of the Agricultural Instructors, special organisers might be appointed.

To supervise and co-ordinate these and other operations in the sphere of agricultural credit, the Committee recommended the establishment of an Agricultural Credit Section of the Department of Agriculture. To this should be entrusted the extensive lending business which (as we shall see presently) the Department of Agriculture already carries on in connection with its various schemes of loans for agricultural purposes. They further proposed that a small Advisory Committee should be appointed in connection with the suggested Agricultural Credit Section. The Committee might be composed of representatives of the affiliated credit societies and loan fund societies, the joint stock banks, the Irish Agricultural Organisation Society, the Board of Works and the Congested Districts Board. Such an advisory body would, it was held, help to co-ordinate the various interests involved and would be in a position to suggest improvements in the working of the scheme.

§ 8. Agricultural loans advanced by State departments.

(a) *The Board of Works.*

The Report then passes to consider the agricultural loans and grants administered by State Departments. The most important of these are the advances made by the Commissioners of Public Works, which may be divided into two classes, loans for arterial drainage and loans under the Land Improvement and Land Law Acts).

The question of arterial drainage has formed the subject of inquiry by several Vice-regal Commissions, the latest of which published its report in 1907. While emphasising the importance of arterial drainage in Ireland, in order to secure the farmers against disastrous summer floods and against the saturation of their lands, and in order to give field drainage throughout large tracts where it is now impossible, the Report of the Vice-regal Commission of 1907 points out that the transference of the land of Ireland from the hands of a comparatively small number of landlords to a numerous body of tenant-purchasers has greatly increased the difficulty of carrying out drainage schemes.

From 1842 to 1863, the Board of Works advanced £2,082,052 for arterial drainage and from 1863 to 1913 only £855,054. Of recent years the amount advanced has been exceedingly small, and the Agricultural Credit Committee is of opinion that there is need for a complete revision of the legislation relating to arterial drainage.

Loans for land improvement have been made to landowners under the Landed Property Improvement Act, 1847, and subsequent amending acts,

and to tenants under the Land Law Act of 1881. A loan under the Land Improvement Acts must be at least £100, with the exception that for the erection of farm-buildings a loan of £50 may be granted. Loans to tenants are not less than £35 and must not exceed £1,000. The usual period of repayment is 22 years; the annuity-charge is 6½ per cent., equivalent to interest at the rate of £3 8s. 3d. per cent. The expenses of the loan, which amount to £2 on a loan of £35 to £40, £5 on a loan of £100, and proportionately less on larger loans, are deducted from the first instalment of the loan advanced. This increases appreciably the real rate of interest payable on the loans.

As security for the loans advanced by them the Board of Works require a charge in the nature of a mortgage on the borrower's interest in the land.

On the whole the repayment of the loans has been satisfactory. Up to 1910-11, more than £6,000,000 had been advanced, of which nearly £5,000,000 had been repaid, and about £30,000 had to be written off as irrecoverable. There is, however, some unpunctuality in the payments, and the Board is obliged to take proceedings against 1 in 33 of the debtors every year.

As showing the extent to which advantage is still being taken of this system, it may be noted that in 1912-13 loans to the amount of £66,399 were made to 1,144 persons under the Land Improvement Acts and £41,473 to 1,056 persons under the Land Law Act. The great majority of these loans were for the erection of farm buildings.

According to the Rules under which loans are made by the Board of Works, no loan granted under the Land Law Act may amount to more than three times the annual value to be charged. Under the Land Improvement Acts, no loans are advanced to landlords amounting to more than seven times the valuation, and to tenant-purchasers the amount is usually restricted to five times the valuation. Comparing these regulations with the minimum sums granted, it will be seen that a tenant-purchaser of a holding of less than £7 valuation or a tenant of a holding of less than £12 valuation would be unable to obtain advances from the Board of Works. The system, therefore, does not furnish credit facilities to the very small farmer. To meet the case of small farmers desiring to erect hay-barns costing less than £35, the Department of Agriculture has drawn up a scheme for advances of smaller amount. It is pointed out by the Committee as an anomaly that two Government Departments should be making loans for the same purpose.

The Committee are of opinion that much might be done to render the system of long-term loans more beneficial to Irish agriculture, and especially to the smaller farmers, and urge that, not only should the system be re-organised, but the administration of the purely agricultural loans now advanced by the Board of Works should be transferred to the Department of Agriculture.

(b) *The Congested Districts Board.*

Loans for various purposes have been granted to farmers by the Congested Districts Board, but this is only a subsidiary part of their operations. From the date of its establishment (1891) to 1912 the Board made 1,384 loans amounting to £26,464. These included 772 loans (amounting to £12,066) for the purchase of live-stock, and 303 loans (amounting to £4,558) for the erection or improvement of dwelling houses or the erection of out-offices. The scheme of loans for the erection or reconstruction of dwelling houses has been hindered by the difficulty which the applicants have found in establishing satisfactory titles to their holdings. Thus in the year 1911-12, of 625 loans applied for, only 66 were sanctioned, and of the applications refused the grounds of refusal were the inability to show satisfactory title.

The system adopted by the Congested Districts Board of giving free grants to very small farmers for the erection or improvement of dwelling-houses, on consideration that the value of the work done shall be considerably in excess of the amount of the grant, has been described in a recent article (1). The Agricultural Credit Committee express the opinion that it could only be justified by the exceptional poverty of many districts and urges that it should be regarded as only a temporary expedient.

(c) *The Department of Agriculture and Technical Instruction.*

The Department of Agriculture, from the time of its foundation in 1900, found the lack of capital on the part of small farmers a hindrance to the carrying-out of many of its schemes for the development of agriculture. It has, accordingly, been obliged to take steps towards meeting the need, and has initiated various schemes of loans to farmers.

Its loans for the purchase of live-stock are not aimed at benefiting the individual farmers so much as at introducing pure-bred animals for the benefit of the surrounding locality. Up to March 1913, 2,071 of these loans, amounting to over £67,000 had been advanced. The loans are guaranteed by the applicants and two or more solvent sureties. In the case of bulls they are repayable in two equal annual instalments ; in the case of horses, in five annual instalments. The rate of interest charged is 2½ per cent.

Loans for the erection of wire-fencing have been made in the counties containing congested districts since 1907-8. Up to 1912-13 the number of loans granted was 518, amounting to £8,990. Loans are not granted of less than £5 or more than £35. The loans of £5 to £15 are repay-

(1) See in this *Bulletin* the article on "The Congested Districts of Ireland and the Work of the Congested Districts Board," by F. S. Sheridan.

able by half-yearly instalments in five years and those of £15 to £35 in ten years ; the interest charged is 3 per cent. The Department obtains the fencing for the borrower and as it buys in bulk it can do so at reduced prices. It also sends a foreman to supervise the erection.

Since 1903-04 the Department has made advances for the purchase of agricultural implements. Up to 1912-13, the number of these loans was 399 and they amounted to £4,316, and there was a strong tendency for these loans to increase in number and amount. The minimum loan is for a machine or machines costing £6, but the borrower must lodge one-fourth of the cost of the machine with the Department, so that the minimum loan is £4 10s. The machine is ordered by the Department, who pay the vendor the price on receiving notice that it has been delivered to the borrower. Loans not exceeding £50 are repayable in three years ; larger loans in five. Three per cent interest is charged.

The Department also makes loans for a variety of other purposes to individual farmers and association of farmers, or (as we have already seen) to co-operative credit societies. The total amount lent by the Department from its establishment up to 1912-13 was £ 106,776.

(d) *The Estates Commissioners.*

Compared with the gigantic operations which the Estates Commissioners are carrying on for the transfer, by the aid of State-credit, of the land of Ireland from the landlord to the occupying farmer, the credit which it accords for the improvement and stocking of holdings is of secondary importance. Nevertheless from November 1st., 1903 (the date when the Land Purchase Act of 1903 came into operation) up to March 31st, 1913, a sum of £567,489 had been expended for these purposes, of which £247,029 were advances repayable as part of the tenants' purchase annuities and £320,460 were free grants not repayable.

Nearly all this expenditure was incurred by the Estates Commissioners in connection with estates purchased by them for purposes of re-sale. These estates require re-arrangement and improvement of existing holdings, and the division of untenanted land into new holdings. The new holdings are equipped with houses, fences, roads, etc., while the allottees, who include evicted tenants whom it is desired to re-instate, migrants who have surrendered their holdings in other districts for the relief of congestion, labourers, etc., are, if necessary, provided with stock and implements. Expenditure for works of permanent improvement is, as far as it is deemed to be recoverable, having regard to the security required for the payment of the purchase annuities, included in the price of the holding improved; the remaining expenditure is treated as a grant not repayable.

Although the State advances for the purchase of land are not included within the scope of the Committee's inquiry, (1) the Report points to the regul-

(1) See page 69.

arity with which the purchase annuities are paid as evidence of the credit-worthiness of the Irish farmer. Thus, on July 1st., 1913, out of 215,537 tenant-purchasers from whom annuities to the total amount of £2,415,745 were collectable in the year ending March 31st., 1913, only 1,378 (or 0.6 per cent) were in arrears and the amount of the arrears was only £12,959 (0.5 per cent of the total due). Even these arrears were due in part to an undesirable practice adopted by some tenant-purchasers of obtaining the use of money for a short period at the cost of a small fine, by intentionally letting the payment of purchase annuities fall into arrear and, when a process is issued, paying the arrears without allowing the case to come into Court.

§ 9. The credit needs of rural industries.

The scope of the Inquiry extending to rural industries as well as agriculture, the Committee obtained evidence on the need of credit facilities for such industries. They came to the conclusion that there were many rural industries of which the development was hindered by lack of capital. They consider that capital should be more readily provided by the joint stock banks than is the case at present, and suggest that the Department of Agriculture and the Congested Districts Board should obtain full information regarding particular industries and furnish it to joint stock banks, in order to assist them in making the needed advances.

§ 10. Mortgage or long term credit.

One form of mortgage-credit in Ireland, the loans advanced by the Board of Works, has already been noted. The Agricultural Credit Committee made extensive inquiries into the question of mortgage-credit generally, which has special importance in view of the creation of large numbers of peasant proprietors which is taking place and the danger to which they may be exposed of over-burdening their land.

The investigation was particularly difficult on account of the absence of reliable statistics. This, in its turn, is due to the absence of a universal system of registration of title. In Ireland holdings which have been purchased by the occupier under the operation of the Land Purchase Acts are registered in the Land Registry, and all charges upon such holdings are also registered in the same office, with the anomalous exception of charges in connection with loans for land improvement advanced by the Board of Works. These charges, together with all charges on unregistered land, are registered only in the Registry of Deeds.

Although the number of registered holdings is steadily increasing owing to the operation of the Land Purchase Acts, they were in 1913 only 36

per cent of the total number of holdings in Ireland. Of the registered holdings, an average of 1.7 per cent. have charges placed upon them in each year.

The Land Registry specially prepared for the Committee full returns of the charges and releases on registered land during the months of April, May and June, 1912, and summaries of these valuable returns are contained in Appendix 14 to the Minutes of Evidence. The figures furnish a useful index to the movement of mortage indebtedness amongst the tenant purchasers.

During the three months in question 725 separate charging transactions took place, affecting 567 separate holdings. The total amount of the charges registered was £156,760. But during the year the total number of charges registered was 3,468, considerably more than four times the number registered in April, May and June. Assuming that the individual transactions were approximately on the same scale as during the three months, the total amount of the fresh charges during the year would be over £750,000. The number of releases registered during the three months was 307, affecting 227 separate holdings and amounting to a total of £85,584. Assuming that the releases of charges during the year bore the same proportion to the releases during the three months as the fresh charges during the year bore to the fresh charges during the three months, the amount of charges on registered land released in Ireland in 1912 was over £408,000. Hence the net addition to the debt on registered land in Ireland in 1912 was approximately £340,000.

This calculation does not include the charges in respect of Board of Works loans; the *gross* amount of the fresh charges on *registered* land in connection with such loans was probably about £50,000.

In order to obtain some indication of the movement of mortgages charges on *unregistered* land, the Committee obtained from the Registry of Deeds a statement of the charges recorded on unregistered land during the months of April, May and June, 1912. This is published in Appendix 15 to the Minutes of Evidence. During this period 1,235 charging transactions were recorded upon unregistered agricultural land; in 132 of these cases the mortgagor was the landlord and in 1,103 cases the occupier (1). In 942 of the 1,235 transactions, the amount of the charge was disclosed in the deed; in 55 of these cases the mortgagor was landlord, and the total charge £55,056, while in 887 cases the mortgagor was occupier and the total charge £98,824. Assuming that the value of the charges in the cases where it was not disclosed was, on the average, the same as in the cases where it was stated, and that the three months were average months in respect of charging transactions, it is estimated that these were in 1912 about 5,000 recorded charges, amounting in all to about £1,000,000.

This calculation is slightly vitiated by the fact that the records include the charges upon *registered* land in respect of Board of Works

(1) It should be borne in mind that tenants in Ireland possess the "tenant-right," which can be mortgaged equally with the landlord's interest in the holding.

loans. A substantial addition must, however, be made to the total in order to arrive at the aggregate amount of charges placed upon unregistered agricultural land, because the registration of such charges is not compulsory, and there must have been many charges of which no information whatever was conveyed to the Registry of Deeds. Balancing these two considerations aganist one another, the Committee are of opinion that £1,000,000 per annum is a very conservative estimate of the present annual addition of fresh charges on unregistered land.

In regard to releases, there is no exact information, but assuming that the releases of charges on unregistered land occur in the same proportion to the fresh charges as in the case of registered land, the Committee calculates that the *net* addition to the burden on unregistered land was about £454,000 in 1912.

Combining the figures for registered with those for unregistered land, the Committee arrive at the conclusion that the approximate annual amount of the fresh charges laid on Irish agricultural land is about £1,857,000. Allowing for the estimated releases, the *net* annual increase in the mortgage indebtedness is about £854,000. These estimates they think to be rather under than over the mark; probably £1,000,000 would be a more accurate estimate of the net increase.

It would be interesting to be able to compare this figure with the total value of agricultural land in Ireland, but only rough estimates are available. The purchase price of agricultural land in Ireland was calculated by the Estates Commissioners to be almost £200,000,000, but to arrive at the total value it would be necessary to add the large sums which represent the tenant's interest in their holdings.

Under the Land Act of 1903, a tenant-purchaser is prohibited from mortgaging his land for an amount greater than 10 times the purchase-annuity, save with the consent of the Land Commission. The number of applications for permission to mortgage holdings for larger sums between November 1st., 1903 and March 31st., 1913, was only 508.

The usual rate of interest on mortgage loans in Ireland appears to be five or six per cent, but it is sometimes as low as four per cent and sometimes as high as ten per cent.

There exists in Ireland a peculiar form of mortgage known as a "judgement mortgage." A creditor, having obtained a judgement of a court of law for money due to him, may file in the court a statement of amount of debt, damages and costs, with a description of any land which the debtor may possess. This affidavit is then registered by the creditor in the Registry of Deeds in the case of unregistered land, and in the Land Registry office in the case of registered land. The effect of this registration is to vest in himself the estate of the debtor, subject to redemption on payment of the money owing on the judgement.

The Committee calculates that about 220 judgement mortgages, to the amount of £36,000, are annually obtained on registered holdings, and between 400 and 500, to the amount of £50,000 to £60,000, on unregistered holdings.

By a curious anomaly, judgement mortgages are not taken into account in the restriction on mortgaging by tenant-purchasers imposed by the Act of 1903. As a judgement mortgage is a transaction which readily lends itself to collusion between lender and borrower, it can be utilised to enable a tenant-purchaser to evade the restrictions of the Act. The Committee strongly urge that this anomaly should be removed.

Mortgage loans are not generally advanced by joint stock banks, who, indeed, show reluctance to accept mortgage security unless it is supported by collateral personal security. A large proportion of the loans on mortgage are advanced by solicitors acting on behalf of their clients. The system has a very serious drawback, in that the borrower does not know when the loan may be called in. Unscrupulous solicitors, it is said, make a practice of calling in the loans with unnecessary frequency, in order to gain the profit from the fresh charges made in connection with the new mortgage. The Committee express their " extreme surprise and regret that members of an honourable profession should be found stooping to practices of this sort."

The Committee proceed to examine the desirability of establishing some land credit institution of the type of the German "Landschaften." They point out that, for the success of such institutions, a complete system of registration of title, powers of summary procedure and strict State supervision are essential, and come to the conclusion that, on the whole, the prospect of establishing such an institution successfully in Ireland in the near future is small.

Even, however, if the foundations of an extensive scheme of mortgage credit had been successfully laid, the Committee hold that there are arguments against its introduction, as they consider that the attention of the tenant-purchasers should be concentrated rather upon making the most of their land by honest work, even with limited capital, than upon the pledging of it for the supply of funds. In their view the development and extension of the agricultural loan schemes of the Board of Works, the Department of Agriculture and the Congested Districts Board, combined with the agency of the co-operative credit societies for the shorter term loans required, should prove sufficient in the great majority of cases for those credit requirements of the Irish farmer which are not met by the joint stock banks.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CREDIT.

BELGIUM

D'AVOUT (BERNARD): Vers la petite propriété. Le crédit immobilier en Belgique et en France (*In the Direction of Small Holdings. Credit on Real Estate in Belgium and in France*). Dijon, 1914. Darantière Press, pp. 275.

This book brings into relief, with essentially practical intention, what has been done in Belgium and in France to promote the increase of workmen's houses. As concerns Belgium, after an account of the history of the legislation on the subject, the author examines the relations of the *Caisse d'Epargne et de Retraite* with the societies for the erection of workmen's houses, giving minute explanations of the mechanism of credit on real estate and the reforms proposed. In regard to France, after an examination of the law of April 10th., 1908 and an indication of the causes of its want of success, he summarises the later laws of February 26th., 1912 and December 23rd., 1912, and shows the manner of the constitution and the working of a real estate credit society.

ITALY

STATISTICA DEL DEBITO IPOTECARIO FRUTTIFERO ITALIANO E DELLE OPERAZIONI DEGLI ISTITUTI DI CREDITO FONDIARIO AL 31 DICEMBRE 1910. (*Statistics of Interest Paying Mortgage Debts in Italy and the Business of the Land Credit Institutes on December 31st.*, 1910). Ministero delle Finanze. Direzione Generale delle Tasse sugli affari Rome, 1914 Tipografia Cooperativa Sociale. pp. 465.

From this new Statistical Return of Mortgage Indebtedness prepared, by the General Department of Commercial Taxation, after a very strict and thorough enquiry, we learn that on December 31st., 1910, there were in course in Italy 808,670 mortgage loans paying interest, the total amount of these loans being 4,253,904,130 frs., distributed as follows in the various parts of the Kingdom: North Italy, 1,728,155,713 frs.; Central Italy, 1,374,659,053 frs.; South Italy, 575,842,358 frs.; Insular Italy, 375,247,006 frs. The land credit institutes had at that date 28,698 credits, for an amount

of 987,860,774 frs.; distributed as follows: in North Italy, 409,564,785 frs.; Central Italy, 333,998,636 frs.; South Italy, 193,375,563 frs.; and Insular Italy, 50,921,790 frs.

The mortgages are classified in numerous analytical tables, according to their amount, the rate of interest, the classes of creditors and debtors, the cause, the period and the nature of the mortgages etc. Finally, two diagrams show the amount of the mortgage debt, and the business of the land credit institutions, according to the regions, the amount of the mortgage debt and the rate of interest on December 31st., 1903 when the latest preceding statistical return was made out and on December 31st., 1910.

NICOTRA (GIOVANNI): Le casse di risparmio e il mercato dei valori mobiliari in Italia. Note statistiche. (*The Savings Banks and the Market for Securities in Italy. Statistical Notices*). (From the « Rivista delle Società Commerciali »). Rome, 1914.

The author considers the action of the ordinary savings banks on the market for securities in Italy. This action is twofold: (*a*) the banks collect savings and thus prevent their investment immediately in securities, and (*b*) they buy and keep these securities themselves. The banks tend to invest to a continually larger extent in securities, so that more than half the national savings are continually being withdrawn from industry and commerce and invested in public securities.

Part IV: Miscellaneous

GREAT BRITAIN AND IRELAND.

THE "CONGESTED DISTRICTS" OF IRELAND AND THE WORK OF THE CONGESTED DISTRICTS BOARD.

By FRANCIS S. SHERIDAN, *Barrister-at-Law*,
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When allusion is made to the "congested districts" of Ireland, people who do not know the districts are likely to ask "what is meant by the congested districts?" For it is not at all a title that is self-explanatory (being rather a misnomer), and it is consequently essential that the position should be made clear from the first so that the circumstances of the districts may be understood as far as it is possible to understand the condition of a locality without careful study on the spot.

The term "congested districts" was not applied because the land is thickly populated and overcrowded. On the contrary the density of population is very low, being only 89 persons per square mile as compared with 134 for all Ireland. The districts were first called "congested" by those mistaken philanthrophists who recommended emigration of the inhabitants instead of development of local resources and possibilities. The name has since stuck to the districts. One ought simply to think of the congested districts as being exceptionally poor and undeveloped. The technical and legal definition will be alluded to later on.

§ 1. THE ORIGIN OF THE CONGESTED DISTRICTS.

It is impossible to give a faithful description without going a little into history. Certain essential facts as they exist need to be traced to their source in order that a just estimate be formed of the reasons why the people

of the congested districts are so poor, and also why progress cannot be rapid owing to defective education and to a consequent want of initiative. In considering the ameliorative work of the Congested Districts Board, particularly in relation to the purchase and resale of land, it must be remembered that the Board is not dealing merely with the natural circumstances of a backward people in an out-of-the-way part of Ireland, but rather with unnatural conditions created many generations ago and allowed to continue until our own time without any remedial efforts.

The accompanying map of Ireland will illustrate the portion of the country committed to the charge of the Congested Districts Board, and subsequent statistics will show the relative position of the congested districts to the rest of Ireland.

During the period from Philip and Mary to Cromwell — particularly in the time of the last-mentioned — re-arrangements of the confiscated lands of Ireland were made to reward the adventurers in the various campaigns against the Irish, and clearances of the " fat lands " were carried out to make way for the " planters " to whom grants of these desirable lands were given — the " innocent " Irish ploughmen and labourers being permitted to remain in the neighbouring " lean lands " to till for the newly endowed proprietors.

Under the Settlement Act of Cromwell's Parliament in September 1653, the owners of selected lands and their retainers in Ulster, Leinster, and Munster, who had not maintained a " constant good affection " to the Parliament were ordered under penalty of death to leave their homes before the 1st. May, 1654, with their families, cattle and belongings, and to proceed to occupy lands of little or no value to be allocated to them across the Shannon in Connacht, where they had to wait and " negotiate " for new lands. These proscribed Catholic people included the best blood of the country — Irish nobility and gentry and also the descendants of the old English -- Norman settlers who had stood by the King in his war with the Parliament.

To ensure that the migrated persons would not disturb the new occupiers in possession of their old estates, a belt of country four miles wide (afterwards reduced to one mile and known as " the mile line ") was drawn right around Connacht including the sea-shore, and the lands in the belt were given only to Cromwellians who could be relied upon, like herds, to keep the migrants within the boundary. Thus the new inhabitants of Connacht and the few old ones who had survived the previous war were cooped within the confines of the Western Province and could not get out by land or sea, for they were forbidden to leave it. Subject to certain modifications as to succession during the operation of the succeeding Penal Laws, which need not be gone into here, the land in Connacht had by order of the Government to be divided at death equally between all the sons of the new settlers there. As the years rolled on, therefore, the tendency was to make all the inhabitants (landlords and tenants alike) poorer by continual sub-division, and as there were no industries or emigration — agriculture being virtually the only occupation — the position of the tillers of the soil as well as the owners became gradually weakened.

Map of Ireland, showing the Districts Scheduled as Congested.



Districts scheduled under 1891 Act.
Districts scheduled under 1909 Act.

Somewhat similar stories might be told of the clearances in Ulster and Munster in the reigns of James I and Elizabeth and the driving West of the Irish people to make way for the Government nominees to whom the confiscated lands were assigned, and in this way was laid the foundation of the congested districts as we now know them. In a word, therefore, the problem set to the Congested Districts Board may be said to lie in undoing the evolutionary results of the work of Elizabeth, James I, and Cromwell. But no Government at the present time could propose to exercise the same summary powers that Cromwell possessed, and thus make as rapid progress in their operations as he did in his time. Moreover he dealt with proprietors of lands who took their families and retainers with them *en bloc* whereas the Board are dealing with landlords and tenants individually — having consequently to face a much more difficult and detailed task — and do it in a complicated legal way.

After the Cromwellian " settlement, " things were undecided for a time, for the migrants to Connacht naturally hoped, on the restoration of Charles II to get back to their old estates. But the " planters " were influential in England, whereas the dispossessed Irish were not, and on the whole the recent grantees were confirmed in their lands purely as a matter of expediency. In a couple of generations the new Connacht families had become rooted in the soil, and although an attempt was made to do justice to them in the reign of James II, it fell through on his abdication.

As time went on a cleavage developed between the landlords and their tenants in Connacht, which was accentuated through the operation of the Penal Laws. The Government facilitated the landlords in affording special and stringent legislation for the recovery of whatever rents were demanded, and the tenants in the West became impoverished upon their infertile lands through increase of population and continual sub-division. The tenants suffered hardships from landlords and their agents who by demanding increases of rent killed any motive for effecting improvements in farms. In the time of the Georges it became usual for landlords to live away from their estates and this tendency was accentuated by the Act of Union. The estates were left to be managed by agents who were obliged by their employers to make rents rise with their increased expenditure away from home.

The increase in the population of Connacht after the Williamite wars at the end of the 17th. Century (by which time the cordon round Connacht had become somewhat relaxed) was, however, slightly retarded by the smuggled emigration of young men to fill the gaps in the Irish Brigade serving on the Continent. After this was disbanded at the close of the French Revolution and prior to the advent of steamships and railways there was no thinning of the ever-increasing population (except by famine, disease, and Government penal transportation) and thus the poor Connacht peasantry increased and multiplied beyond the capacity of the land to support them in any degree of comfort. Still they struggled on as long as they could make ends meet, for farming was remunerative in the early years of the 19th. century owing to the demand and high prices for Irish

food-stuffs during the Napoleonic wars. But afterwards the people of the West were barely able to exist, the potato being their staple food. The population of Ireland increased from just over four millions in 1792 to about 8 ½ millions during the ensuing half-century, and naturally the West with its " long weak families " suffered the strain most.

Various partial famines recurred, culminating in the Great Famine of 1845-8 when the potato failed. The population of the country was reduced and the West was left broken and helpless. Wholesale emigration was then resorted to by the Government and by philanthropists to relieve hunger and suffering. The adult strong departed leaving the very old and very young peasants to continue the struggle, most of the young remaining only until those who had emigrated were able to send home the passage money to help them in turn to seek a better livelihood across the seas than they could get at home. Rents increased while prices for corn and cattle dropped below the standard of the previous war-time. The absolutely destitute were compelled to enter the workhouses erected under the Poor Law System introduced into the country a short time before (1838) and thus were the congested districts brought into the condition in which they were found by Mr. Arthur Balfour when in 1890 he as Chief Secretary for Ireland visited the West to see for himself how matters stood, and to investigate on the spot the causes of the Land War which had been raging for several years.

Up to 1869 other causes besides poverty contributed to the discontent of the people. Tithes or tithe-rent charges had to be paid for the upkeep of the Established Church, in which the vast majority of the people did not worship, and relief was only obtained by the Church Disestablishment Act of 1869. From that on, however, the main cause of trouble was the inability of the land-holders to pay their rents, and wholesale evictions followed. But a whole country cannot be evicted, and the Government faced the problem by the establishment of the Land Commission in 1881 to fix " fair rents, " to compel landlords to cease from making arbitrary increases in rents and to restrict the power of landlords to evict (1).

Owing to legal difficulties in carrying out the spirit of the " fair rent " idea in the Land Laws, several amending Acts were passed, but it was soon apparent that these Land Laws were at best only palliative, and that the land of Ireland — and particularly the West of Ireland — under mod ern conditions of life was unable to support both landlords and tenants: one class had to go. The Government therefore decided in 1885 as a matter of policy to adopt a larger scheme of Land Purchase — a system which had been already adopted in a small way under the Acts of 1869, 1870, and and 1881.

(1) See the article on " The Fair Rent Provisions of the Irish Land Acts, " by A. P. Magill, in the *Bulletin of Economic and Social Intelligence* of January 1914.

It is not germane to this necessarily short paper regarding the congested districts to examine very closely the several Land Purchase Acts (1) and the various financial and other schemes involved in the work of carrying out the bloodless revolution of transferring the land of Ireland from the *dual* ownership of landlord and tenant to the *single* ownership of tenant-purchaser, but it may be mentioned that the Act of 1885, associated with the name of a distinguished Irishman, the late Lord Ashbourne, was financed in cash, while the Acts of 1891 and 1896 were financed in land stock. The Act of 1903 was again a cash transaction, while the Act of 1909 was mainly a reversion to payments in stock. There is no doubt that *cash* is the most satisfactory method of procedure if practicable, but the difficulty was and is to raise it in such amounts and at such short notice as the purchase scheme of Ireland demands. Hence the Government have had to resort to stock finance with its disadvantages. It may here be stated that in the whole scheme of land purchase, Ireland has only the use of the credit of the United Kingdom of Great Britain and Ireland, for every shilling advanced under the scheme is to be repaid with interest by the purchasing tenants. And so far the British Exchequer has lost nothing in bad debts, while it is an interesting fact that in the congested districts — the poorest section of Ireland — there have not been any losses by failure to meet the Land Commission annuities.

§ 2. The establishment of the congested districts board.

When Mr. Balfour had completed his tour of the West and noted the condition of the people, he had in mind the districts that needed the special help it was proposed to give in order to lift them out of the slough of misery to which they had been condemned by the force of circumstances over which they had little or no control. In describing his experiences in a speech at Liverpool on the 19th. November, 1890, Mr. Balfour said: "The general impression left upon a casual traveller is that you are dealing with a population not congested in the sense of being crowded, but congested by not being able to draw from their holdings a safe and sufficient livelihood for themselves and their children, whose condition trembles constantly on the verge of want, and when the potato crop fails, goes over that margin and becomes one of extreme and even dangerous destitution."

These were the people and the districts he wished the Government to help, feeling that in the light of history they had an equitable claim to special consideration by Great Britain, but the difficulty was to segregate the districts without arbitrarily selecting them. After considering several

(1) For articles relating to these Acts see the *Bulletin of Social and Economic Intelligence* of January, 1912, and June 1913.

plans he decided upon the ratio of population to valuation as the test of congestion to be adopted, and accordingly in the Land Act of 1891 establishing the Congested Districts Board it is defined that: "Where at the commencement of this Act more than twenty per cent of the population of a County, or in the case of the County Cork of either Riding thereof, live in Electoral Divisions of which the total ratable value, when divided by the number of the population, gives a sum of less than one pound ten shillings for each individual, those Divisions... shall form a separate County (in this Act referred to as a Congested Districts County)."

This definition brought in areas sparsely populated as well as congested ones with dense population, but the test failed to include several suitable areas for treatment.

Thus were established the congested districts as scheduled in 1891. The annual income placed at the disposal of the Board at first was £41,250, being interest at 2 ¾ per cent. on £1,500,000 of the Church Surplus Fund consequent on the Disestablishment of the Irish Church. It may be noted that this Endowment was made from a purely Irish fund. In addition about £6,000 a year was provided from Parliamentary funds for the Administrative Staff. The administration of two small Loan Funds was also handed over to the Board — the Irish Reproductive Loan Fund, and the Sea and Coast Fishery Fund, amounting to about £66,000 and £18,000 respectively in cash, securities, and outstanding loans.

In the early years the Board's operations were regarded as being only experimental, for if the efforts failed in their objects the income was considered enough to risk, whereas if Parliament approved of what was done, more funds would be forthcoming. As it turned out, the Board's utility was very generally admitted and accordingly a new grant of £25,000 (gross) a year was made by Parliament in 1899 but on conditions that reduced it to about £15,000 (nett). A further increase of £20,000 per annum was made under the Purchase Act of 1903 out of the Ireland Development Grant; and as a result of the finding of the Dudley Royal Commission of 1906 the Board was reconstructed and made a corporate body in 1909 and the income was increased to £250,000 a year less £19,000 a year paid to the Department of Agriculture, as will be explained later on.

The Board now consists of 14 members, of whom three are *ex-officio* — the Chief Secretary, the Under Secretary, and the VicePresident of the Department of Agriculture and Technical Instruction. Nine are nominated and honorary members, and the remaining two are permanent members in receipt of a salary in respect of the duties discharged by them under the Congested Districts Acts. Under the Act of 1909 the extent of the area of the congested districts has been greatly increased over that scheduled by the Act of 1891, as shown on the map. The following Table gives some of the comparative conditions of the original scheduled area, of the recently added portions, and of the remainder of Ireland:

TABLE I. — *Area and Population of the Congested Districts.*

	Original Congested Districts (1891)	Congested Districts added in 1909 (including Towns)	Total Congested Districts in 1911	Rest of Ireland (including Cities and Towns)	Approximate ratio between present Congested Districts and rest of Ireland
Area (in acres)	3,608,369	4,053,910	7,662,479	13,192,243	1 to 2
Population in 1911. . .	466,372	594,486	1,060,858	3,329,361	1 to 3
Ratable Valuation 1911	£591,168	£1,787,242	£2,378,410	£13,235,603	1 to 6

It will be noticed that the Act of 1909 more than doubled the original area and population of the congested districts and that the present area is more than one-third of Ireland while the population is about one-fourth. The ratable valuation is, however, only about one sixth of all Ireland, thus indicating the relative poverty of the Board's districts. They are also mainly rural, the population of the towns only amounting to 85,391 out of the 1,060,858. There are only three towns in the congested districts with a population over 10,000, namely : Galway 13,255 ; Sligo 11,163 ; and, Tralee 10,300. This shows the absence of industries other than agriculture and fishing. At present the Board's resources are mainly devoted to operations under the land purchase and resale enactments.

Before dealing in detail with the efforts of the Board in reviving rural activities, it should be stated that the first step taken by the Board in 1892 was to institute a comprehensive survey of the economic condition of the scheduled districts — to form a base line from which progress could afterwards be measured, as well as to indicate the course of action which might be best suited for the different circumstances of the various districts, for the special characteristics of the localities have to be borne in mind in framing schemes of improvement. For example, the development of fisheries was obviously the work to be undertaken in one district, the improvement of agriculture in another, while in a third the undertaking of engineering works was necessary for opening up a backward locality and the assisting of steamer services was found to supply a necessary link in the chain of connection between isolated places and ports of distribution.

In starting operation the Board adopted the principle of " helping the people to help themselves. " No mere charity or eleemosynary aid was given, and the establishment of " relief works " to alleviate temporary or exceptional distress, though frequently urged, was always refused. It was fully realised that such temporising expedients were only demoralising in their effect, and they formed no part of the programme of re-generation adopted by the Board. No project that was not considered likely to be reproductive directly or indirectly was supported. The Board's efforts were to raise the mode of life from the submerged condition to which it

had been reduced to that of a virile, progressive, self-supporting and self-respecting community.

The duties undertaken by the Board were divided mainly into sections appertaining to the purchase and resale of land; agriculture; fisheries; industries; works and miscellaneous undertakings. These again had to be subdivided as the exigencies of circumstances demanded, and taking the main divisions seriatim the following summary of the work accomplished will indicate the Board's objects and procedure.

3. Land purchase and resale by the congested districts board

In treating of the *land itself* as distinguished from the use that can be made of it, it should be mentioned that although the general powers given by the Act of 1891 to the Board at its inception were wide, and although the Act indicates the enlargement of holdings on the estates of private owners as one of the objects of its attention, the *purchase* of estates was not expressly authorised, and the Board could hold land only in the name of the Land Commission. The provisions of the Act of 1891 for amalgamation of small holdings *on private estates* was found to be inoperative, so in 1893 an Act was passed giving the Board power to acquire land for enlargement of holdings and to hold it by means of trustees.

In 1894 another Act was passed to enable the Board when selling an estate to give a guarantee to the Land Commission for the regular payment of instalments by the purchasing tenants. Thus no guarantee deposit would be retained by the Land Commission out of the purchase money. The Act also incorporated with the Congested Districts Board Acts the provisions of the Land Clauses Acts so far as they relate to the taking of land by agreement.

In 1896 the Land Law Act gave power to the Land Commission to make advances to enable the Board to buy estates. The advances were to be made in Guaranteed Land Stock, subject to an annuity of 4 per cent (consisting of $2\,^3/_4$ per cent interest and 1 $\frac{1}{4}$ per cent. sinking fund). This Act put a difficult restriction on the Board as regards re-sale of their lands, for it provided that the Land Commission should not make an advance to a tenant to buy a holding unless the ratable valuation was over £10. Most of the holdings in the congested districts were "small holdings" (i. e., under £10 valuation) and the Board could not then obtain sufficient untenanted land to bring all their tenants' holdings up to £10 valuation, owing, among other things, to the operation of Section 40, which gave temporary tenants a priority in buying their holdings in the Land Judge's Court, thus preventing such lands from coming into the possession of the Board who would have used them for the enlargement of small holdings. The Board could not, therefore, expect to be in a position to re-sell much land through the Land Commission and of course the disqualified tenants had not cash to buy direct from the Board. The disability was removed

by the Act of 1899 which suspended the operation of Section 40 on the Board making an offer to purchase an estate in the Land Judges' Court, thus preventing a " Court tenant " purchasing grass lands until the Board's offer for purchase of the estate had been considered. The Act also enabled the Land Commission to make advances for redemption of the head rents affecting estates purchased by the Board. This had formerly to be done by cash out of the Board's slender income. The Act also removed the barrier as to sale of " small holdings, " and increased the Board's income by about £15,000.

The next Act passed for the Board was the Act of 1901 which gave them power to deal with a tenant who obstructed the re-arrangement of holdings on estates purchased. The Act further empowered the Board to enter on non-judicial holdings to make arrangements as to turbary, etc., — a fruitful source of trouble in the West of Ireland. The Purchase of Land Act (No. 2) of 1901 deals with the annuity payable on a holding to which lands had been added —treating as *one* holding the old portion and the enlargement.

The most important of the Land Purchase Acts so far was that of 1903 which reverted to cash advances instead of land stock, gave vendors a *bonus* of 12 per cent on the purchase-money of estates sold, to facilitate negotiations for sale of *estates*, as distinguished from *holdings* (the system heretofore in operation) and enabled a vendor when selling his estate to obtain an advance to repurchase his demesne as if he were a tenant. The Act further placed a limit on advances for purchase of Court lettings in the Land Judge's Court, increased the maximum limit for county advances, reduced the annuity payable by tenant purchasers to 3¼ per cent. (interest as before at 2 ¾ per cent., but sinking fund at ½ per cent) for 68 ½ years at a uniform rate instead of 4 per cent as formerly with decadal reductions, enabled the Board to settle accounts with the Land Commission after sale of each estate instead of by county groups as formerly, facilitated re-sales to tenants, and added £20,000 to the Board's income. This Act was most successful in causing numerous landlords to agree to enter into negotiations for the sale of their estates, but unfortunately it did not sufficiently secure priority of attention to the claims of the congested districts. The new annuity of 3 ¼ per cent had some years before in the case of Clare Island been devised by the Board, who saw the advantage of reducing the sinking fund rate to ½ per cent and enabled sales to be arranged at a 3¼ per cent annuity that could not have been brought about on the old 4 per cent basis.

The Land Act of 1904 sanctioned the payment of the bonus to landlords who were tenants-for-life for their own use and benefit, freed from any trust or other claim. This had the effect of stimulating sales of estates which had been retarded by tenants-for-life.

Owing to the success of the 1903 Act outside the congested districts delay occurred in paying landlords their purchase-money and the Treasury would not continue to make prompt cash advances for financing sales as fast as they were arranged.

The Act of 1909 accordingly re-introduced payments in Land Stock at 3 ½ per cent. (interest 3 per cent. and sinking fund ½ per cent.). It

re-constituted and increased both the powers and income of the Board as a result of the Inquiry held from 1906 to 1908 by the Dudley Royal Commission on Congestion. The Board's income was raised to £250,000 a year, of which £19,000 is paid to the Department of Agriculture and Technical Instruction for Ireland to meet expenditure in connection with the powers and duties transferred to the Department from the Board under Section 47—viz.:

(*a*) the provision of seed potatoes and seed oats;

(*b*) agricultural instruction or practical husbandry: and

(*c*) aiding and developing of forestry, or the breeding of live-stock or poultry.

The 1909 Act created a scheme for advances for purchase either in land stock, or cash, or partly in each, the intention being to settle priority and facilitate the completion of sales where cash to pay off the vendors would not be provided by the Treasury for several years to come, under the terms of the Act 1903. The fixed 12 per cent. bonus was altered to one on a sliding scale varying up to 18 per cent. and details were revised as to limits for advances, as to turbary, etc.

It will convey some idea of the magnitude of the Board's operations in connection with the purchase, re-arrangement and re-sale of lands to give the following summaries up to the 31st. March, 1914:

TABLE II. — *Estates purchased or offered for sale between* 1891 *and* 31*st March*, 1914.

Period	No. of Tenants	Area	Estimated Purchase-price
		acres	£.
(*a*) Purchased under Acts prior to 1909. .	15,727	497,484	2,260,551
(*b*) Purchased under Act of 1909	29,737	1,178,698	3,983,329
(*c*) Offered for sale since 1909 but not yet purchased	22,800	904,975	3,820,325
Totals . . .	68,264	2,581,157	10,064,205

TABLE III. — *Estates re-sold by the Board up to* 31*st. March.*, 1914.

Period	No. of Tenants	Area	Resale prices
		Area	£.
Prior to Act of 1909	9,371	246,394	1,167,846
Since Act of 1909	3,497	93,758	571,301
Totals . .	12,868	340,152	1,739,147

Since the Act of 1909 the greater number of the Board's Estates Staff have been engaged upon operations and arrangements in connection with *purchase* of Estates which were offered for sale and for which it was considered desirable to settle terms of purchase without delay. As the negotiations for purchase are now drawing to a close in the majority of cases of estates offered, it is being arranged that more rapid progress shall be made henceforth in carrying out improvements and re-distributing lands for *re-sale* to tenant purchasers.

§ 4. Redistribution of holdings.

So much for the Board's operations in the handling of the land itself and aiding in the transfer from the dual to the single ownership in a way which will, as far as it is possible, allow the new peasant-proprietors to make a living out of their land. But the Board are fully aware that many of the purchasers cannot live on the produce of the land alone, because there is not enough land in Connacht for enlarging holdings so as to give every tenant-purchaser a holding out of which alone he can support his family. The improvement of house accommodation and the provision of out-houses for live stock by means of a scheme of free grants and loans to tenants will be some of the most important results of the Board's work.

Therefore the Board have to exercise a discretion in the allotment of land — a task that is made easier by a prohibition in the Act of 1909 against giving land to *landless men*, the only classes to which the Board can give holdings being tenants, tenant-purchasers and herdsmen.

Before referring to the Board's efforts to develop husbandry and the conditions of life *on* the land, it may be pointed out that in the West the people have for generations in several hundreds of cases been unable to live on the patches of poor land they held — rarely in one compact lot, but divided and sub-divided among families from time to time at rents varying from a few shillings to a few pounds. With these holdings there are usually rights to cut turf for fuel and sometimes for sale, while on the sea board there are rights to cut sea-weed for manure as well as to burn for kelp manufacture, and there is also frequently some grazing or commonage appurtenant. On the sea-board, too, the resources are augmented by fishing and by the cheap carriage of foodstuffs, etc., while there and elsewhere there are weaving, knitting, lace-making, and such home industries to help the family in making a living. Other subsidiary sources of income, varying according to localities, are the English and Scotch harvesting operations and gifts from relatives abroad. A substantial addition to the comfort of the " congests " for the past few years is the Old Age Pensions, of which the West gets a large proportion owing to the poverty and longevity of the people. Referring to the British harvesting and other work the receipts may average about £10 per man profit at the end of the season.

To return to the Land Purchase procedure, the several Acts enable the Board by advances from the Land Commission to buy out the landlords, and the Board then devote a part of their income to various improvements on the estates, the work being done under the supervision of Inspectors by the tenants and their families. When the estates are ready for sale they are sold to the tenants at prices which recoup the Board for about half of the money spent on improvements. It is estimated that the irrecoverable expenditure in estate improvements will amount to about £100,000 per annum. Sales to tenants are made through the Land Commission and the Board's advances for purchase are cancelled by the advances (loans) made to tenant-purchasers. Thus the Board are intermediaries or agents in bringing about the purchase, improvement, and transfer of estates from landlords to small tenant-purchasers, the land and the social and economic condition of the people being improved while the estates are in the Board's hands. Of course the Board have to buy relatively good estates in certain localities in order to have untenanted lands to enlarge small holdings in the neighbouring district; but when holdings are comparatively well-circumstanced there is no need for the Board to intervene and the owners may, and in some cases do, sell *direct* to the tenants through the Estate Commissioners without reference to the Board.

The fact of holdings being small in size is not the only drawback in settlement, for sometimes holdings by the repeated splitting up among families become under the "rundale system" exceedingly complicated and involved. A patch of a few acres in area might be made up in some cases of as many as 30 to 40 detached plots without any sufficient boundaries, being only marked by stones or a strip of grass — some plots being as far away as 3 miles from the tenant's house. It is obvious that any attempt at a proper system of agriculture is exceedingly difficult, if not impossible under such circumstances. In dealing with these cases the Board has to value all interests and re-divide the entire estate into new compact holdings as far as practicable. It may be remarked that under the Land Purchase Acts while lands are subject to the control of the Land Commission sub-division is illegal.

A matter of prime importance in the redistribution of land among small landholders unaccustomed to manage good farms is that if, after purchasing, they were left to work out their own economic salvation on enlarged holdings without any guiding influence or advice as to the management of their farms under their new circumstances, the increase of land merely would only half-equip the new tenant purchasers. But the Board make loans to tenant-purchasers for purchase of live-stock, for improvements in dwellings, etc. (loans to over £10,000 for house improvements have been made); and by arrangements between the Board and the Department of Agriculture and Technical Instruction, the Department is arranging to supply agricultural instruction for the owners of the new holdings. This co-ordination of the two Departments appears to be well calculated to make the most of the operations of the Land Purchase Acts, and to render the practice

of agriculture in the congested districts as skilful and profitable as it is practicable to make it.

§ 5. Improvement of housing.

The housing conditions of the people have always received special consideration owing to the importance of the subject in the work of regeneration.

Until the inhabitants of the Western districts are provided with clean and healthy homes, with proper out-offices for the live-stock, instead of their present insanitary dwellings, no substantial improvement could be expected in the general tone of life.

The following figures will show the work done by the Board and their tenants and the amount of money spent on housing :

Table IV. — *Money spent on housing improvement.*

Number of new houses erected by the Board on their estates	1,956
Number of new houses erected by Board's Tenants with assistance from the Board	1,523
Number of houses improved by tenants with aid from the Board	2,880
Total amount spent by the Board in grants and advances to tenants for new houses or improvements in existing ones on Board's Estates	£427,112

Nor are the Board's efforts to improve housing conditions in the congested districts confined to the estates which pass through their hands. They have devised a plan for "helping the people to help themselves" under what is known as the *Parish Committee Scheme*. In this the Board set apart out of their income a lump sum and apportion it for the benefit of the parishes in their area, the annual expenditure on the scheme at present being £20,000. A local Committee, comprising clergy, doctors, rural district councillors and six elected persons, is formed to administer the grant given to the parish under regulations prepared by the Board. This Committee selects from among the applicants for aid a number of the poorest landholders below £7 ratable valuation and votes grants for approved works — usually the building of new or improvement of old dwellings, the addition of a room to a house, the building of out-offices, etc.

In making selection of recipients for grants, the Parish Committee are instructed to adopt the cases where the people are most in need of aid and make the best offers by their own work to carry out improvements — the more the tenant binds himself to do the better chance he has of obtaining a grant. Under the rules no one can get assistance who does not offer to turn out a job worth in capital value at least 3 or 4 times the amount

of the grant, and the competition for grants may bring out work worth from 5 to 10 times the value of the sum voted. Thus the spirit of self-help is fostered and the best efforts of the people drawn out to improve their housing.

Roughly the advances made are intended to barely cover the out-of-pocket expenses for purchase of materials or wages of skilled labour (masons and carpenters, etc.) all the rest of the work being done by the family of the grantee. Many a poor landholder would in days gone by with or without the aid of a mason or carpenter be anxious to put up an outhouse if he could purchase the timber or roofing materials, but the work remained undone and he continued in miserable surroundings for want of the ready cash to start the work and owing to a fear that he would be charged more rent on account of the improvement of his holding. For it must be remembered that the custom in Ireland (differing from the English system) is for the landlord to merely let the soil and the tenant has to do everything in fitting up buildings, fences, etc. The Board's Parish Committee in this way supplies the necessary motive power to stimulate improvements in social and material well-being.

The following is a summary of the work of the Parish Committees. It should be noted that these grants are made apart from the Board's estate-improvement schemes.

TABLE V. — *Grants under the Parish Committee Scheme for Housing Improvement.*

	Number	Amount of Grants paid to Recipients	Estimated value of the work done for the sum paid as in previous column
		£	£
New dwellings erected	1,116	5,590	40,996
Improvements to existing houses . .	27,151 *	36,585	152,101
Total . . .	28,267	42,175	193,097

(*) Under the scheme several grants may be made from year to year towards gradual improvements to the same house or out-offices.

The Board have also a scheme for granting loans to *tenant-purchasers* of holdings not exceeding £ 7 ratable valuation who desire to undertake the erection or improvement of houses after they have purchased their holdings, either through the Estates Commissioners or through the Board. It was found that in many cases tenants who were not properly housed

at the time they bought their holdings were afterwards anxious to come into line with their neighbours who had improved their dwellings under one or other of the Board's schemes, thus showing the stimulating effect of seeing the houses around them improved. The Board, therefore, in order to meet the desire of these people decided to lend them money on solvent security. The scheme has only been in operation a short time, but so far the following cases have been dealt with:

TABLE VI. — *Loans to Tenant-Purchasers for Housing Improvement.*

	No. of Loans	Amount lent
New Dwellings erected.	245	£7,852
Improvement to existing dwelling.	156	£3,133
Totals . . .	401	£10,985

It is thus seen how the effect of a healthy rivalry creates or increases a desire of the people to improve their dwellings and surroundings. People who remember the condition of the houses and farms of the West about 20 years ago and compare it with that of to-day testify to the wonderful improvement they see in the appearance of the whole face of the country. As proving the extent to which the general impression of the observer is borne out by a house-to-house survey, attention is drawn to the Returns of the Census Commissioners regarding Housing for 1891 and 1911 which when compared show that in the rural districts of the Counties Donegal and Kerry, and of Connacht there is an *increase* of 21.5 per cent in the number of first class houses while there is a *decrease* of over 5 per cent. in the 2nd. and 3rd. class, and a *decrease* of 78.4 per cent. in the number of fourth (or worst) class of houses! This last figure is very remarkable and points to a marvellous improvement in the home surroundings of the congested districts which cannot fail to have an up-lifting effect on the habits as well as physical condition and social well-being of the people. It shows what can be, and has been, done by the Board, local bodies, and the people working together to improve housing accommodation; and when people are decently housed improvements in other respects inevitably follow.

§ 6. IMPROVEMENTS IN AGRICULTURE, LIVE-STOCK ETC.

Apaart fom the Board's dealings in *the land itself* in the earlier years of their work, they gave (having regard to their small income) earnest attention to the advantages accruing from improvement in the breeding of horses, donkeys, cattle, sheep, pigs, and poultry, in bee-keeping, and also in giving practical instructicon with the object of improving the

methods of cultivation in the congested districts. Itinerant instructors were appointed, example plots were cultivated, and example holdings fully worked, all operations being clearly explained for the information of the neighbouring farmers. When the Local Government Act was passed in 1898 and the Department of Agriculture and Technical Instruction established in 1899, it was found that there would be over-lapping if the Board and the Department were to continue working in the same localities. The Board could not legally operate *outside* the congested districts, the Department could not legally expend their funds *inside* the congested districts, and the new County Councils could not levy rates for County Agricultural Committees to spend on agricultural schemes except over entire county areas comprising both congested and non-congested areas. Accordingly a working arrangement was made by which the entire work of agricultural development in the congested districts was taken over in 1904 by the Department of Agriculture, the Board paying a fixed sum to defray the cost of the work undertaken in the congested districts. This subsidy was reconsidered when the congested districts were enlarged in 1909, and it was fixed for a term of years of years at £19,000 per annum under the Land Act of 1909, when the work was by Section 47 formally transferred to the Department, as already explained.

The Board's efforts for agricultural improvement were necessarily small as compared with the systematic and comprehensive schemes instituted by the Department with their larger funds and their staff of highly trained agriculturists. Every year benefits are being conferred upon farmers, among which may be specially mentioned the provision of veterinary surgeons and the establishment of veterinary dispensaries in parts of the country where such advantages had not existed.

In a short paper like this the details cannot be stated of all the Board's live-stock schemes, one of the most interesting phases of their work. Besides, the transfer of these duties to the Department of Agriculture would more properly place a record of the results obtained within the scope of a report on the Department's activities. The Board took steps to improve the breed of live-stock by importing hardy strains, and improved poultry, both for table and laying, by crossing the home-breeds and exchanging eggs, to avoid the evils of in-breeding. Bee-keeping was given special attention owing to its peculiar suitability as a cottage industry, and the capital required is so very little while a very high percentage of profit is obtainable. It has been estimated that one hive may in a good year produce as much profit as a pig.

§ 7. The fishing and allied industries.

In order to be in a position to decide upon plans for improving the condition of the residents of the congested districts littoral, the Board first examined the condition of affairs along the whole western sea-board from

Donegal to Cork, and they found that while in the counties south of the Shannon the fisheries were in a fair state of development, so far as markets and transit facilities were concerned, allowing for the difficulties in landing fish, in Connacht and Donegal the transit and market arrangements were defective, as well as the landing accommodation. Along the whole coast there was a dearth of capital to provide boats and gear to properly work the fisheries, and except in a few places there were no fleets of decked fishing boats such as were worked regularly in Irish waters by French, Dutch, Manx, and British fishermen. This survey enabled the Board to deal with local suggestions and applications for aid of various kinds.

As regards suitability for the Coasts where there are no natural harbours capable of accommodating large boats, it may be mentioned that open boats that can be hauled up on a beach are more suitable for the local fisherman (who are usually also small farmers) than either yawls or large boats requiring shelter, because the crews can carry the light boats to safety, whereas heavy boats would have to take their chance lying at anchor. In stormy weather — and the West Coast is open to all the force of the Atlantic gales — the anchored boats are sometimes driven ashore and smashed while open boats and the " curraghs " (or small canvas-covered canoes) are deposited high and dry. Hence these canoes, though they may look primitive, are found to better suit the requirements of the fishermen-farmers than large boats. These men have little capital and do not fish all the year round. It would not pay them to invest capital in large boats, even if they had it, for unless fishermen who go in for such boats continue at it all the year round, and make it their sole occupation, they cannot make fishing pay a proper dividend on their outlay. The canoes cost very little, and therefore suit the class of men who use them when fishing seasons and weather warrant. But they often pay in results as high remuneration for work done as if the men were engaged during the same time as " hands " on board a big fishing boat. They will for this reason continue to be used, even though there has been a revolution of late years in the working of large boats.

With the object of encouraging fishing, the Board in many instances met local demands by erecting piers, slips, and quays to provide means of landing fish and giving boats reasonable safety.

In considering the fishing industry, a broad line is drawn between " freshing, " or the marketing of fresh fish, and the curing or preservation of fish for export as well as home trade. " Freshing " can only be carried on where there are regular and quick means of transit, chiefly to the English markets, the principal sources of cconsumption. This trade involves much preparation — fish boxes, ice, ice-hulk, etc. — and in their operations the Board provided all necessary plant and started fresh-fish centres, notably for spring-mackerel fishing at Aran Islands (Galway Bay), and some mainland centres in Galway and Mayo, the fish being despatched over the Midland Great Western Railway system to Dublin and thence to England. The Board's object was not to become fish merchants themselves but to afford an object-lesson in starting the

industry, to demonstrate that it could be made to pay. Having done this, the Board retired, and now there are fish-merchants carrying on the trade on commercial lines. To aid the industry, the Board subsidised a few steamer services from outlying places to the railway.

In the cured-fish trade on the other hand much capital has to be sunk in providing the necessary curing-sheds, stores, salt, barrels, hiring of coopers and curers, etc. Having done this at several centres where curing was previously unknown or forgotten, the Board leased or sold their stations and left the development of the industry to the enterprise of commercial fish-curers. The result has been most encouraging, particularly in County Donegal where the headquarters of the Board's herring-trade is located. At Downings Bay in a few years they converted a poor locality where a cured fish trade was unknown into one of the busiest of herring-centres, and fleets of over 200 Scotch and Irish boats have made the place a hive of industry, giving employment to great numbers of men and women. And considerable employment is also given in carting the fish. The herrings taken off the Donegal coast and cured at Downings at first won the highest place in the world's markets and were specially sought for at the leading foreign centres of consumption but as the steam-drifters came to the coast in recent years and intercepted the shoals out at sea, the quality of the herrings has sunk nearer to the average, as the Downings herrings in earlier years did not acquire their peculiar quality until they had arrived close to the shore.

Various kinds of fish-curing are carried on in the Board's stations according to the class of fish found in the locality (cod, ling, etc.), but the herring and mackerel from the industrial point of view are those out of which the biggest earnings are made by fishermen and fish-merchants.

In these ventures of pioneer fishing and curing, the Board had to risk loss, and some big reverses have been sustained here and there by the loss of boats that could not be insured, but the Board consider it part of their duty as pioneers to test the different fishing centres in the congested districts and thus encourage the people to embark on new grounds when it has been proved that they are safe, or at least hold out reasonable prospect of success.

One of the important functions of the Board is to make loans to fishermen to enable them to procure suitable boats and gear with which to pursue their calling. In no case do the Board advance cash to a borrower. They either purchase what is required and hand it over to the fisherman on receiving proper security for repayment of the loan, or arrange to allow him to purchase where he wishes and then pay the account direct on proof of delivery, usually in the presence of the local representatives of the Board. Loans are also made in special cases to assist in fish-curing operations, and the Board occasionally import cargoes of barrel-making materials, selling them on credit along the coast to curers on a quick-repayment system. By these means the Board are slowly working small but enterprising merchants into a position of being capitalists capable of largely extending their trade.

Another and more complicated system of aiding fishermen to become owners of large boats is to enter into an arrangement known as the "share-system." Under this procedure the Board supplies the boat and gear to a selected crew who undertake by an agreement to work the boat; and the proceeds of the earnings are divided into shares, the agreement running until the Board's share of proceeds repays the purchase outlay, when the boat and gear become the property of the crew. The Board retain plenary powers of dealing with the crew while the agreement is in force, in order to ensure proper discipline and control of the boat and its operations. An instructor is placed in charge who acts as "skipper" of the boat as well as teacher of the crew. This system was first tried in Donegal and was found very successful in the case of decked sailing boats until the advent of *power* fishing boats, since when the crews of sailing-boats have not been so successful.

In developing the fishing industry, the Board have had to make arrangements for training men as fishermen, and in the case of large boats intended to proceed to deep-sea fishing-grounds, they had to train them to be sailors as well as fishermen. Many of the men had never seen a compass until taught its use on the Board's boats, but they soon became proficient in their new sphere of activity. In the early years of the Board's work they engaged experienced Scotch fishermen to teach the local crews, and the instructor was made the skipper of the boats (whether loan or share-boats). Now many Irish fishermen are fit to act as instructors for young crews. In addition to instruction in fishing and fish-curing, the Board have classes for instruction in net-mending, and mounting of nets, but this subject is now included in the routine of fishing and all crews have to prepare and care their own nets.

During the past quarter of a century the fishing industry has kept pace with the progress in ship-building generally. The introduction of steam-trawling was followed by the building of steam-drifters and motor-boats and the time is fast approaching when the old-time sailing craft will be "crowded out" of competition at large fishing centres by the various forms of modern power-boats. Even sailing craft are being fitted with steam capstans for hauling nets and gear. To keep up to date with the times, the Board have procured for experimental purposes, and as instruction-boats for the training of crews, various kinds of steam-drifters and motor-boats and in the light of their experience (which they place at the disposal of local fishermen) they make loans to enable enterprising fishermen to fit out motor-boats of a suitable design.

To meet the demands of the increasing fishing industry the Board opened some boat-building yards under skilled instructors and designers, and also sent instructors to work in private yards to aid local builders in designing and building fishing boats, the idea of the Board being to give instruction rather than to make money in boat-building. Another form of the Board's activities in assisting mackerel and herring-curing was to open barrel-making workshops under skilled coopers who took in local hands as apprentices to be trained. In course of years there have been numerous

men trained who are now working as coopers and curers, and the barrels made in the Board's workshops are sold to local fish curers when their own stock of barrels runs short.

For assisting the Board to carry on satisfactorily their various fishery operations, and for providing a ready way to inspect the coast work of the staff, it was considered desirable to build a special steamer suitable for cargo-work and at the same time possessing sufficient accommodation for those employed in inspection duty. She also does some police duty in preventing illegal trawling in prohibited areas, the responsibility of this public service being under the Department of Agriculture.

One of the side-issues of fishery development is the necessity of looking after the social well-being of the men, and coffee stalls were opened at some places where fishermen could be supplied with tea, coffee, etc., and have accommodation for letter-writing and social intercourse. These stalls are much appreciated by the men, especially those away from home.

The results of the Board's operations in developing the fishing and allied industries have been far-reaching, for not merely is work found for the men, but also for their wives and daughters who obtain employment on shore at cleaning, salting, packing of herrings and mackerel. Indirectly all the local people benefit by the circulation of money, and the general standard of comfort is raised. There is an increased demand for food-stuffs and thus even the farmers and shopkeepers in the neighbourhood benefit from the development of a fishing centre in their districts.

§ 8. Cottage-industries and other industrial development.

In this branch of their administration, the Board decided to devote their energies to fostering and initiating home and cottage industries and domestic training. Weaving, spinning, knitting, embroidery, and the making of various descriptions of lace and crochet work thus came in for attention. In County Donegal where the home-spun woollens had obtained some celebrity, the Board encouraged the industry by giving premiums for high-class work, and the weavers competed keenly for the "stamp" of the Board, which was affixed to an approved web after a careful examination and measurement of the whole piece by the Board's Inspector of Homespuns.

In County Mayo the Board assisted a newly established woollen factory at Foxford nearly 20 years ago by making a loan to develop the factory. The result was most gratifying, for the repayment instalments were made regularly for several years, and the balance outstanding was paid up some years ago. The factory is now a commercial success and is giving a large amount of local employment where none existed before.

In County Donegal facilities were given for the erection of buildings to enable a Scotch firm (Messrs Morton, of Darvel, Ayr) to start a branch of their hand-tufted carpet factory. This venture has also been most suc-

cessful, the Irish "hands" being found most capable, intelligent, and satisfactory in every way. New branches have been formed in the county by the firm, who are pleased with their experiences of the Donegal peasantry. A lace curtain factory was subsequently started by the same firm in Connemara, and it was aided by the Board paying the salaries of some Swiss instructors brought over to train the local workers.

In lace making, embroidery, fine-knitting, and kindred industries the Board establish "classes" under salaried teachers to instruct the girls of the locality who attend. The teachers market the output with the assistance, when desired, of the Board's Inspector of Industries, who keeps up his knowledge of markets and of the changes of fashion, the workers being thus in touch with the latest designs on the Continent and in America, so that the up-to-date demand may be kept supplied. Of late one district has taken up the knitting of soft woollen golf-coats, which happen now to be fashionable, and they find a ready sale at good prices. In most districts the girls are, as fashions change, able to adapt themselves to new work. There are over 100 lace, crochet, embroidery and similar classes working with a turnover of about £30,000 per annum.

It is only in the poorest parts, where farm-work is not extensive or pressing, or where other more profitable sources of earning do not exist, that the girls can spare the time, or poverty supplies the incentive, to take up lace-making and other needle-work and make it remunerative. The earnings of the girls vary of course according to ability and the time spent at the work. The greatest drawback to such industrial earnings is that they are very frequently used to enable girls to emigrate to the United States of America.

Another form of class instruction is that for domestic training, at which, however, no earnings are made. The Board have a staff of nine itinerant instructors who are sent to centres to give a four-months' course to the local girls. The classes are then moved on to the next selected centre. These classes are very successful, for they bring home to girls in backward places an education that would otherwise be beyond their reach. The girls appreciate these classes so much that they often walk some miles a day to attend. As the cottages in which the girls live give them no opportunity of learning the requirements of domestic service in ordinary or large houses, these girls when employed were heretofore only fit at first for the roughest household or farm work at low wages. Now after a course of instruction they can, at a better rate of wages, take on a higher grade of work requiring a knowledge of cookery, laundry and general housewifery.

The primary object of the course is to improve the homes by training the girls in habits of neatness and order as well as in the acquisition of useful information, thus raising the standard of ideas as to comfort and health. With technical knowledge, girls are enabled to earn better wages as servants if they leave home, or to use the knowledge in their own homes if they remain. Even if the girls emigrate they are able to obtain situations at higher wages than if they went into service as "green hands." They have then more money available to send home to the old people and

in this way the relatives at home indirectly benefit from the domestic training as well as the emigrants.

The Board have helped some other industries such as basket-making, home carpentry, etc., and they pay the fees of pupils in technical schools to learn such crafts as are likely to aid them in becoming wage-earners and useful citizens. Under the head of " Technical Instruction " the Board include the salaries of Fishery Instructors and the various classes of teachers engaged in imparting knowledge to enable pupils to start in industries which would be closed to them without such technical skill. There are at present two itinerant carpentry instructors and during winter when work is slack in the country the Board employ four other instructors to teach boys home and farm carpentry so that they may be able to do work at farm buildings, construct rough carts, and make home furniture suitable to their wants and surroundings.

The question has been seriously considered by the Board and discussed with the Department of Agriculture and Technical Instruction whether the Board ought to continue to provide instruction in domestic economy and in carpentry. Both the Board and the Department agree that such educational work falls within the province of the Department, but so far arrangements have not been made for handing it over to the Department, as each body finds a difficulty in agreeing to the financial settlement proposed by the other on a transfer of the work.

§ 9. Engineering works.

On completion of their first survey of the congested districts, an outstanding need was apparent for the erection of piers, breakwaters, boat-slips, and beacons or lights, to develop fisheries and afford transit facilities ; for the making of roads to open up communication between the outside world and backward parts of the scheduled area, the erection of bridges over rivers which formerly had to be forded, the carrying out of main drainage operations to reclaim lands and the cleaning of rivers and old drains to save districts from perennial flooding. These operations involved the appointment by the Board of an engineering staff who, having excuted the most urgent works the Board had in mind, were in course of time transferred to the Department of Agriculture, which had some time previously been established and required such a staff to carry on work outside the congested districts.

Of late years the Board have a working arrangement with the Department by which the services of the staff are lent to the Board at fixed rates to carry out any small works which have been decided upon by the Board. In the early years the Board themselves undertook the *entire* cost of the most urgent work, carrying them out either departmentally or through a contractor, but of late years they are slow to undertake engineering works unless the localities concerned are willing to contribute towards the cost and thus

prove the necessity for the work. Usually such works are now undertaken by the county authorities, the Board granting a proportion of the cost — say one-half or one-third, according to circumstances — the remainder being raised by local taxation. Since the establishment of the Board they have spent £99,596 on marine works, and £76,994 on inland works of various kinds, making a total sum of £176,590.

Owing to financial and legal difficulties the Board have not been able to carry out arterial drainage outside their own estates to the extent they would wish, for no work would be more reproductive or add more to the agricultural value of the land. The Board, however, did carry out a few extensive schemes on their estates in the County Mayo while re-arranging and preparing them for re-sale to the tenants. Over £20,000 was spent in this way reclaiming and improving lands, and it is estimated that the money spent on the works will earn a " dividend " for the localities of over ten per cent. per annum in increased value to agriculture. A Vice-regal Commission in recent years reported on the subject of Drainage in Ireland and the Board await legislation to enable them to start operations in this fruitful field for improvement of the soil, subject to funds being available. Meantime the Board and the Development Commissioners have formulated a scheme to cost about £15,000 in County Sligo, the Commissioners lending £12,000 repayable in 20 years without interest, the Board to carry out the scheme as contractors to a Drainage Board to be created by the Board of Works and bear all cost over the amount of the loan, the work to be done as usual in such cases under the Drainage Acts through the Board of Public Works.

The Development Commissioners are further co-operating with the Board by voting liberal grants to enable large engineering works to be carried out at selected centres, and a loan to the Board is also being made by the Commissioners for the building and equipment of power fishing boats.

§ 10. Miscellaneous schemes.

Apart from the various schemes under the several heads mentioned, the Board carry out certain financial arrangements to aid generally in their procedure. For instance under the Workmen's Compensation Acts they underwrite their own risks since they have developed large undertakings involving the employment of large numbers of workmen, instead of insuring through an Insurance Company as they did formerly when the number of men employed was small. On similar lines, the Board carry on a live-stock insurance under which owners of stock who place animals on the Board's lands for grazing can be protected by payment of a small premium from what would probably be a crushing loss in the event of death of animals.

The Board make grants to the Post Office on foot of guarantees to enable that Department to open telegraph offices, money order offices, and post offices in backward places with a view to bringing the inhabitants into touch with modern commercial connections, thus facilitating the development of business. This is particularly the case in the fishing centres where telegraphic information as to the prices of the day in the leading markets is of prime importance, and sales can be arranged by telegraph.

Another item of the Board's miscellaneous work is the building of a few nurses' residences in out-of-way places to bring the people within the benefits of the Lady Dudley Nursing Fund. It is difficult to estimate the advantages of this scheme to the poor who are far distant from regular medical assistance, and the nurses are greatly appreciated by the dispensary doctors and the people in the districts where they are employed.

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The foregoing is a summary (though not an exhaustive one) of the leading features of the Board's various activities in improving the condition of the people of the congested districts. The writer desires it to be understood that his views are personal regarding transactions in which he has always taken the deepest interest, and that the article is not written as representing with any authority the ideas of the Board.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO AGRICULTURAL ECONOMY IN GENERAL.

BULGARIA.

Статистика на Земледѣлската Собственость прѣзъ 1908 година. Книга I. Притежания по околии и окржзи (Главна Дирекция на Статистиката) София. Държавна печатница 1914. (*Statistics of Landed Property in Bulgaria for the Year* 1908. *Volume* 1: *Holdings classified according to Arrondissements and Departments. Published by the General Statistical Department of the Kingdom of Bulgaria*). Sophia, 1914, State Printing Press, Large Quarto. pp. XVIII + 108, with ten maps and diagrams in addition to the Text.

Under the above title, the Bulgarian Statistical Department has just published the first part of the results of the last general census of landed property taken in the first half of the year 1908, after considerable delay occasioned by the Balkan wars.

This is the second census of landed property taken since the proclamation of the independence of the country, the first having been taken in 1897.

In both instances the same method was followed, that is to say separate forms were sent out for each landholder. These forms were filled in, not by the landowners themselves, but by the mayors of the communes, who received special instructions for the purpose. There were no other census agents employed. The information for filling in the forms was taken from the land registers kept in each commune for purposes of the land tax.

In the same way in 1897 the land holders were divided into two classes, local and not local, the former holding land in the locality inhabited by them, the others in some other commune.

The census extended to all holdings cultivated, registered in the land tax registers, the entries in which correspond with declarations made in 1905 in accordance with the land surveys of 1903. To the private holdings are added those of the communes, churches and schools and others of public property and generally all those exempted from taxation by the law, including the domains of the State.

The census was taken on January 1st., 1908, and the information entered on the forms refers to the state of the holdings at that date. The examination of the census papers terminated about the end of March, 1909, and, about the end of April, 1911, the preparation of the material was complete. Some preliminary results were published that year in June.

The results prepared for the press will be published in four volumes. The first, with which we are here concerned, gives the general results of the census of holdings, according to arrondissements and departments, showing both the number and area of the holdings possessed. The second volume will contain similar information, according to localities, the third will show the distribution of the land among the land holders and the fourth will consist of a study of the figures published in the three earlier volumes.

Let us finally add that in addition to the data furnished by the census for 1908, the present volume also contains those for the year 1897, in order that a comparison may be made. This, together with the fact that the text and headings are printed in French as well as in Bulgarian, will greatly facilitate the study of the results obtained and enable the attentive reader to form as complete an idea as possible of the development and rural economy of Bulgaria, as well as of the considerable progress made in the short period between the two censuses.

Let us hope that the crisis Europe is passing through at this moment will not prevent the Bulgarian General Statistical Department from publishing the other three volumes of this interesting work at an early date.

GREAT BRITAIN AND IRELAND.

REPORT TO THE BOARD OF AGRICULTURE FOR SCOTLAND ON HOME INDUSTRIES IN THE HIGHLANDS AND ISLANDS. Edinburgh, 1914, Neill and Co., 8°, IX + 207 pages.

This interesting Report embodies the results of a special inquiry made by Mr. W. R. Scott, who was appointed in 1911 by the then Secretary for Scotland to investigate and report upon Home Industries in the congested districts of Scotland. It presents an exceptionally interesting picture of the growth of industries auxiliary to agriculture in an economically backward district, whether they arose naturally or were fostered by charitable organisations or by the State. The story of these industries, with their periods of decline and revival, is very instructive and should furnish many valuable suggestions to the Board of Agriculture for Scotland in the work which is now entrusted to it of endeavouring to improve the economic conditions of the inhabitants of the Highlands and Islands. As the experience of Scotland may prove useful to other countries where conditions are similar, we propose to publish a resumé of the Report in an early edition of the Bulletin.

ITALY.

RAFFAGLIO (G.): Diritti promiscui, demani comunali ed usi civici (*Collective Right, Communal Land and Civic Uses*). IInd. Edition, Rome, Milan and Naples, Società Editrice Libraria, pages 336.

After giving a general idea of civic uses from an economic and legal point of view, and indicating the principles by which they are regulated, whether written or established by custom, as well as the studies and researches made by the commission for the reform of the annulment laws the author studies in separate chapters the civic uses of Roman, mediaeval, modern and contemporary times ; and then goes on to examine the present legal position of the problem and finally deals with some proposals for its solution, with special relation to the civic uses and collective land of Lombardy.

SWEDEN.

BETÄNKANDE I EGNAHEMSFRAGAN, AFGIFVET DEN 14 OKTOBER 1914, UTAF DE AF CHEFEN FÖR KUNGLIGA JORDBRUKSDEPARTAMENTET TITTKALLADE SAKKUNNIGE (*Report on the Question of Small Holdings, Presented on October 14th., 1914 by the Expert Commission Instituted by the Royal Department of Agriculture*). Stockholm, 1914, Marcus Press, 3 Volumes, 4to. pp. XII + 616, VI + 456 and IV + 246.

On January 20th., 1911 the Royal Department of Agriculture at Stockholm instructed a Commission of five experts, with Baron Malte Ramel as President, to study the advisability of revising the Regulations of June 13th., 1908, on the State contribution to the establishment of small holding (*egna hem*), as well as generally of all the legislation on this important department of home colonisation.

After four years' assiduous labour, this Commission has just presented its report, which it concludes with a proposal for a radical reorganizazion of the work of the Government in the matter.

As it is our intention to examine the proposals of the Commission for such reorganisation in an early number of this Bulletin, we shall now limit ourselves to a few remarks on the Report itself, which is one of the most conscientious, complete and clear we have ever had before us.

The fundamental portion of the important publication is to be found in the first volume, which begins with an historical study of the origin and successive development of home colonisation in Sweden. Then comes a statement of the principles now adopted by the State in the foundation of small holdings, as well as the provisions now in force for the practical realisation of the work. After which come the considerations of the Commission and the detailed statement of the reasons for the alterations it suggests in

the existing regulations. A draft of new regulations given in detail, a statement of the suggestions of two members of the Commission, differing slightly therefrom and, finally, a series of documents on which the proposals are based, are to be found at the end of the volume.

Volume II of the Report consists of a complete collection of all the statistics necessary for a profound and detailed study of the entire question. It also contains a very valuable general report on the action of the Government in favour of small holdings and its results during the period from 1905 to 1911.

Finally, the third volume of the Report is entirely given up to the comparative study of the state of the question of small holdings in countries the general conditions of which are more or less similar to those of Sweden, whether as regards climate or as regards agriculture and social life. We have here a group of five brief but very complete monographs on Government action in favour of home colonisation in Norway, Denmark, Finland, Prussia and England, the results up to the present obtained in each of these countries and the advisability or not of adopting in Sweden the principles by which the Governments of the above States were guided and the methods employed by them. As Government action is everywhere intimately connected with private initiative, the latter is naturally also considered and the monographs thus deal with the whole question.

We see then the field of study entered upon by the Commission under the presidency of Baron Ramel is extremely wide. But the considerable labour involved in the study thus conceived is largely compensated by the utility of the work accomplished. Far more than a simple report of a Government Commission on a special subject, the publication of the Swedish Commission is a thoroughly complete study of one of the most important questions of national economy not only in Sweden but in all Northern Europe. Taken all in all, the whole evolution of the problem of small holdings in one of the countries where it has certainly been solved most completely and most scientifically, could not be better or more clearly summarised than it is in the three large volumes of this Report.

KUNGLIGA LANDTBRUKSSTYRELSENS UNDERDÅNIGA BERÄTTELSE FÖR ÅR 1912 (*Humble Report of the Royal Agricultural Department for the Year* 1912). Linköping, 1914, Ostgöta Correspondenten Press, 8vo. pp. VIII + 606.

The fourth annual Report published by the Royal Agricultural Department, according to the programme established by Royal Order of October 2nd., 1908, has just appeared, in the form of a thick volume of 606 pages, illustrating with the help of numerous statistical tables the work of the Royal Department in behalf of Agriculture in 1912.

After a first chapter devoted to the study of the variations in the weather and the crop statistics of the year, the report goes on to a general

examination of the Government action in behalf of rural economy, which it studies in twenty clear and concise chapters of which it will suffice for us here to give the titles. (2) Work of the Royal Rural Economic Societies, (3) Prizes for Horned Cattle Bred (4) Measures for Pig Improvement, (5) Measures for the Extension of Small Holdings, (6) Report of the Butter Control Institutions, (7) Measures for the Encouragement of the Cultivation of Clover and and Native Seeds, (8) Work of the Institutions for Agricultural Education, (9) Work of the Government Agricultural Engineers, (10) Work of the Government Expert Instructors and Employees in connection with the Peat Moss Industry, (11) Work of Swedish Agricultural Experts Abroad, (12) Work of the Livestock Improvement Centres, (13) Work of the Stations for the Trial of Agricultural Machinery and Implements, (14) Utilisation of the Special Funds for the Colonisation of Norrland, (15) Work of State Subventioned Agricultural Societies, (16) Government Measures for the Encouragement of the Fishing Industry, (17) Fight against Bovine Tuberculosis, (18) Work of the Vegetable Biological Institute at Luleå; (19) Work of the Agricultural Chemistry Stations, (20) Work of the Government Subventioned Stations for the Inspection of Seeds, (21) Work of the Government for the Encouragement of Homesteads.

RUGGERI ALFREDO, gerente responsabile.

INTERNATIONAL INSTITUTE OF AGRICULTURE

BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

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Part I: Co-operation and Association

GERMANY.

THE TWO LARGEST GERMAN CO-OPERATIVE SOCIETIES FOR THE SALE OF EGGS.

§ 1. Introduction.

The agricultural co-operative societies have long ceased to limit their action to their original field, that of combating the extortion of the money lenders and dealers. Little by little have they brought a large part of the agricultural activities under their control, so that also in the field of production and sale the beneficent effects of the co-operative idea are more and more seen.

To what extent the farmers, even in comparatively not very important branches of their business, may profit by co-operative association, is quite specially seen in the case of the Co-operative Societies for the Sale of Eggs. These have made great progress in the last twenty years in Germany, as earlier in Denmark, where they were first started. The first German Societies of the kind were founded in 1895 and 1896 in the Province of Hanover (1), and hence the movement has spread to every part of the German Empire.

The chief reason for the establishment of Co-operative Societies for the sale of eggs is the difficulty of the sale, especially in remote districts where the farmers cannot sell to urban consumers directly and formerly were at the

(1) There was already a Society for the Sale of Eggs founded at Uhlenhorst near Hamburg in 1880, and in 1881 a similar organization was founded at Leipzig, but these can not be considered co-operative societies in the true sense of the term.

mercy of the local tradesmen or buyers, who offered prices that were little remunerative. The most important question for these societies is therefore how to eliminate this intermediate traffic. While they regularly place larger quantities of eggs on the market and can give assurance of their excellence, as they have carefully examined, sorted and packed them, they are in a position to seek favourable opportunities of sale in the larger centres of consumption and obtain fair prices.

In addition to this they also exert an influence in favour of poultry improvement, not only indirectly by procuring for the farmer an increase of revenue through the higher prices he receives for his eggs, but also directly by obtaining improved breeds of poultry and instructing their members in the proper feeding and care of the fowls. The first egg sale societies owed their origin to the poultry improvement unions and even to-day they are frequently organised in connection with the latter. Others are founded in connection with societies of other character existing already, such as the dairy and purchase and sale societies.

Such dependence on already existing organisations is especially to be recommended, on the ground that the co-operative spirit is already developed in the existing societies and the administration of their business is already organised, which largely helps them to overcome the initial difficulties. But there are also numerous independent co-operative societies in Germany for the sale of eggs.

The first condition for the success of such a society is that the eggs be of the best quality, since only in this way is it possible to meet the competition of foreign eggs, the value of the import of which into Germany, in 1912 is estimated at 187,000,000 Marks. The societies must therefore at once instruct their members to supply eggs quite suitable for sale. The supply of bad eggs is severely punished. In many societies payment is made by weight, so that the size of the eggs may be taken into consideration.

In other societies eggs of less than a certain size are refused.

To show their origin each egg is marked on delivery with the name of the Society and the number of the member. But this does not suffice to distinguish the society's eggs, since many dealers imitate the mark, in order to pass their eggs off for those of the co-operative societies. Consequently, many societies have adopted a trade mark, which they have officially registered for their legal protection. In Hanover in 1899, the Agricultural Chamber adopted such a trademark the use of which is allowed to those societies the whole business conduct of which is security that they will only place fresh eggs on the market. This trademark at the end of 1913 was made use of by 107 out of the 146 unions in the Province.

The eggs are sold either through agents in the large towns or to wholesale and retail dealers, hotels, boarding houses and even to private persons. An important matter is to ascertain if the purchaser can be given credit and is in a position to pay, since the societies may easily suffer losses through dishonest or insolvent purchasers.

The Imperial Federation of German Agricultural Co-operative Societies and other Co-operative Federations afford the egg sale societies

effective encouragement (1). In several regions, as in Hanover, Oldenburg, Schleswig-Holstein and Baden, special federations have been formed. Also the official bodies for the promotion of agriculture, that is to say the Agricultural Chambers, give their support to these egg societies. We have already mentioned the introduction of the use of a trademark by the Agricultural Chamber of the province of Hanover. The same Chamber has also founded a Central Institution for advice to the societies in regard to their foundation and organisation and the conduct of their business, and every week it holds enquiries into the price of eggs, in which, in 1913, 53 unions took part. In Oldenburg the Agricultural Chamber and the Poultry Improvement Federation have founded a model poultry farm from which the poultry improvers can obtain eggs and poultry for breeding.

The statistics of the total production of the German Egg Sale Societies are incomplete. In the Yearbook of the Imperial Federation of German Agricultural Co-operative Societies for 1913 (pp. 521-522) figures are only given for 78 societies. Of these only 42 had given the value of their sales, amounting altogether to 1,854,600 Marks.

§ 2. The egg sale society of Wiefelstede in the Grand Duchy of Oldenburg.

Generally, the field of an egg sale society is fairly limited. But there are also some that do quite an important business. According to an account published in the *Deutsche Landwirtschaftliche Presse*, (2) the largest now existing in Germany is the Wiefelstede Egg Society, founded in Oldenburg in 1899.

As is to be seen in Table I, reproduced from the article in question, the number of eggs supplied by this society was in 1906 already more than 2,000,000 and in 1911 more than 3,000,000. The figures for the results attained as well as for the average weight of the eggs are also instructive, showing that both the quality of the eggs and the prices received have improved from year to year.

In 1906 the society erected a building of its own for the conduct of its business at a cost of 13,000 marks. It occupies a total area of 440 sq. metres and has a packing room, 88 metres square, in which the eggs are packed and the chests prepared for despatch, a dark chamber, 26 metres square, in which all the eggs already previously examined at the collecting stations are again candled under the electric light and sorted according to size, a

(1) The foundation of egg sale societies in general was discussed by the Imperial Federation on its Co-operative Societies' Days (*Genossenschaftstagen*) in Breslau in 1899 and in Munich in 1901.

(2) Nis Petersen (Molkerei- und Verbandsrevisor): Deutschlands grösste Eierverkaufsgenossenschaft. Deutsche Landwirtschaftliche Presse, January 2nd., 1915.

workshop on the ground floor, 103 metres square, in which about 150 new egg chests are got ready by the packer in the winter months and the old ones repaired, and a lading room with platform (58 metres square) where the egg chests brought in wagons from the 21 collecting stations are unloaded, and the chests ready for despatch are weighed and placed on the wagons to be transported to the railway. Besides this, the Society has its own electric plant of a value of 900 marks and more than 2,000 egg chests, the cost price of which was 12,000 marks. There is still only a debit in the books of 500 marks on this plant ; the rest of the cost, 25,400 marks, being already witten off. And according to the last balance sheet the society has a reserve fund of nearly 4,000 marks.

The whole area served by the society is divided into 21 districts. In each there is a collecting station. These 21 stations are almost without exception worked by private individuals. The eggs are delivered at the stations regularly every Saturday afternoon. The collector establishes the weight, enters it in the delivery book of the supplier, and on the register of the station, candles the eggs, arranges them according to size and packs them in the station chests.

Early on Sunday and on Monday the eggs are fetched from the collecting stations in two wagons and transported to the society's building. The packer receives them there and at once two women begin again to test and sort them. The candling of the eggs in the dark chamber is conducted as follows, cardboard boxes containing 40 eggs are placed in a tin frame with tranparent glass on each side. If the frames are then held before the clear light of an electric lamp, the slightest change in the eggs can be clearly detected. A good egg must not only be transparent, but it is also required that the yolk be in the middle and when shaken no important change in its position be immediately observable. The most accurate examination can be made without taking a single egg out of the box. A woman employee can easily candle 30 chests of eggs a day. The society owes its good reputation and the possibility of obtaining the highest prices on the market to the fact that every egg is candled.

After examination the eggs are packed in chests, which are sealed and weighed. On Monday evening enough chests are ready for transport to the railway to begin despatch. In the evening already a truck leaves for Cologne, arriving there early on Wednesday. A second truck leaves on Thursday for Barmen. In both places the society has a trustworthy agent to deliver the eggs immediately on the arrival of the truck to the consignees as instructed. In case of need there must be three wagons in readiness for them. In this way the purchasers not only save considerably in the matter of railway charges and expenses, but the eggs are consigned to them nearly two days earlier than when booked to them individually.

The relations of the members to the society are regulated principally in accordance with the following main provisions of the society's rules. It is strongly insisted on that the various regulations must be accurately observed. If a member fails in his duty, punishment will at once be meted out.

§ 1. — Every member of the Wiefelstede Egg Sale Co-operative Society must consign the eggs laid on his farm to the collecting station of his district, with the exception of those required for his personal comsumption or that of the members of his household (labourers and lodgers) and for breeding purposes. If eggs which have been acquired by purchase or exchange are consigned to the society, the supplier will be fined 30 marks, and, on repetition of the offence, 50 marks.

§ 2. — After delivery of all the eggs intended for sale on the days appointed by the business manager, the society will fetch them from the collecting stations.

§ 3. — The eggs must be taken from the nest every day and in the summer months kept in the cellar or some other dark and cool place until the day of consignment.

§ 4. — All the eggs must be marked with the number of the consignor.

§ 5. — If the eggs are found to be not up to standard, a deduction of 1 mark a piece will be made from the consignor's account. As nest eggs only porcelain eggs may be used, which the society will supply to its members at cost price.

§ 6. — The eggs are purchased by weight. It is left to the management to decide whether they shall be sold by weight or quantity.

§ 7. — The price per kg. of eggs is fixed by the management of the society for each month at the end of that month; the proceeds from sales, after deduction of expenses etc., are paid over by the Wiefelstede office, beginning with the 15th. of the following month, to the collector who pays the consignor on the next day of consignment of eggs.

§ 8. — Every one who supplies eggs receives from the society a book, in which the collector must enter the weight of the eggs of each consignment.

§ 9. — If it is proved that a member sells eggs to dealers, he is fined 20 marks for breach of contract. In case of repetition of the offence, the management may increase the fine to 30 marks or refuse to accept further consignments from him.

§ 10. — The eggs must be delivered clean; dirty eggs must be cleaned before consignment. The collector is responsible for only clean eggs being placed in the boxes; he must refuse dirty ones.

§ 11. — The whole supply of eggs must always be delivered. It is not permitted to keep any back for a later collection.

§ 12. — The eggs delivered at the collecting stations must have a minimum weight of 50 gr.; smaller eggs as well as such weighing more than 80 grammes must be refused by the collectors.

The progress made by the society is seen in the following table:

TABLE I. — *Progress of the Wiefelstede Egg Sale Co-operative Society.*

Year	Number of Members	Weight of Eggs Consigned — Kg.	Number of Eggs Consigned	Gross Receipts for Eggs — M.	Average Receipts per Egg — Pf.	Average Weight per Egg — Gr.	Total Paid to Members for Eggs — M.	Average Paid per Egg — Pf.
1899	102	2,452	41,779	3,003	2.19	57.50	2,690	5.1
1900	229	31,630	548,965	33,165	6.04	57.62	29,040	5.2
1901	293	44,310	768.031	47,391	6.18	57.76	41,709	5.4
1902	326	65,107	1,118,690	69,016	6.17	58.70	59,403	5.3
1903	347	75,773	1,282,560	80,011	6.24	59.07	71,725	5.6
1904	371	83,648	1,391,184	89,803	6.45	60 13	80,881	8.8
1905	414	99.343	1,647,460	113,250	6.88	60.30	101,274	6.2
1906	455	122,056	2,012,860	145,972	7.25	60.64	130,860	6.5
1907	512	143,687	2,356,800	172,415	7.32	61.00	155,333	6.6
1908	538	162,846	2,660.954	196,169	7.37	61.19	175,959	6.6
1909	553	167,678	2,731,168	210,430	7.70	61.40	190,460	7.0
1910	562	177,852	2,895.600	219,059	7.57	61.42	199.144	6.9
1911	587	185,234	3,015.000	234,393	7.77	61.44	215,690	7.2
1912	625	200,266	3,253,785	266,839	8.20	61.56	240,363	7.4
1913	655	224,572	3,644,400	301,969	8.25	61.62	273,179	7.5

§ 3. WARDENBURG CO-OPERATIVE EGG SALE SOCIETY IN THE GRAND DUCHY OF OLDENBURG.

The second largest German co-operative society for the sale of eggs is that of Wardenburg, also in the Grand Duchy of Oldenburg.

This society, of the progress and activity of which Herr Nis Petersen, Inspector of the Dairies of Oldenburg and their Federation, has kindly favoured us with a detailed description, was founded in 1901 as a registered co-operative society with limited capital, in connection with the Wardenburg Co-operative Dairy and had at first 23 members. At the end of the first year it had already 72 and at the end of the working year (which corresponds with the calendar year) 1913, they had reached the imposing number of 610. The changes in the number of members in the period from 1901 to 1913 is seen in the following Table II.

According to the rules the amount of a share is 10 marks. Members may pay this amount in full. At least one tenth must be paid on entering the society. According to the provisions of the rules, which also in this case represent the real basis on which the relations of the members to the society depend, also in this society the consignment of the eggs is compulsory.

The sphere of the society includes twenty villages and it has twenty collecting stations, to which the eggs are consigned once a week. A carrier transports the eggs from the different collecting stations to the head station. The whole field of the society is divided into a larger and a smaller circle. The purchase price per kg. of eggs, fixed every month by the management, only affects the members of the smaller district whose eggs are collected by the carriers of the head station. Those members who live outside the district receive from 1 to 2 pf. per kg. less, according to the cost of carriage to the nearest collecting station of the smaller circle of members. In regard to the treatment of the eggs up to their consignment to the collecting stations, almost the same regulations are in force as in the case of the Wiefelstede Society. For delivery of eggs which on examination are found to be bad, the consignor is fined 50 pf. per egg.

Also this society attaches great importance to the eggs being always delivered clean. As far as possible to avoid the necessity of cleaning and to get naturally clean eggs, the poultry yards must be kept clean and strewn with sand or peat dust. The poultry improvers must give special attention to the cleanliness of the nests. Dirty eggs must as far as possible be cleaned when dry, and, if this is not possible, careful wiping with a cloth moistened with vinegar or a solution of salt is allowed.

In regard to the feeding of the fowls, the management is empowered, with the consent of the council of supervision, either to forbid the use of certain foods entirely or to limit their use. For example, the use of more than 10 gr. of fish meal per day per fowl is absolutely forbidden.

The members' accounts are settled monthly. The price per kg. of eggs is fixed by the management of the society at the end of each month for the month passed. The proceeds, after deducting expenses, are paid over by the managing office to the collecting stations in time for the members to be paid on the day for collection first after the 20th. of the following month.

The eggs consigned by members must have an average weight of from 55 to 62 grs. Under special circumstances smaller eggs will be accepted, but not eggs of less than 45 grs. If the small eggs are sorted out and sold separately, the society strongly insists on the consignment of eggs as far as possible of the same size. Fine eggs of one size weighing from 60 to 62 gr. are most in favour and obtain the highest prices on the market.

Tables II and III will give an idea of the progress made by the society and the results attained by it :

TABLE II. — *Development of the Wardenburg Society.*

Year	Members	Sales		Receipts	Paid to Members	Expenses	Gross Price per Egg	Profit Made (Marks)
		Eggs	Kg.	— M.	— M.	— M.	— Pfs.	
1901	72	—	—	—	—	—	—	—
1902	149	148,194	20,204	21,240	18,332	1,901	5.80	90
1903	179	464,660	27,302	28,881	25,308	2,887	6.21	50
1904	209	527,321	32,012	34,832	30,378	3,530	6.61	373
1905	258	705,229	42,500	48,555	43,097	4,458	6.88	514
1906	282	906,731	54,740	66,283	59,260	5,817	7.30	355
1907	342	1,175,891	71,872	86,600	77,375	8,289	7.36	475
1908	378	1,422,847	86,163	102,771	91,896	10,858	7.22	94
1909	404	1,531,918	93,703	118,195	105,853	11,521	7.71	860
1910	544	1,683,571	102,562	128,010	114,850	12,603	7.71	68
1911	512	1,935,577	117,886	151,856	137,351	13,173	7.85	495
1912	561	2,227,428	135,371	180,946	164,751	15,326	8.12	224
1913	619	2,672,264	162,507	220,944	202,650	17,477	8.27	912

TABLE III. — *Prices Paid to Members by the Society.*

Month	Per Kg. (M.)		Per Egg. (Pf.)	
	1912	1913	1912	1913
January	1.60	1.52	9.6	9.3
February	2.40	1.40	8.6	8.6
March	1.06	1.07	6.6	6.6
April	1 —	1 —	6.2	6.2
May	1.07	1.09	6.5	6.6
June	1.12	1.18	6.8	7.2
July	1.22	1.25	7.4	7.6
August	1.30	1.33	8.0	8.1
September	1.42	1.46	8.9	8.9
October	1.95	1.95	12.0	12.0
November	2.20	1.25	13.2	13.7
December	1.90	1.95	11.5	12.0

That the Society has been able to pay from year to year comparatively better prices is due in the first place to the large increase in the number of members. Only the Society can obtain satisfactory prices, as even in the winter months when few eggs are laid, it is able fully to satisfy its customers without the need of special arrangements. On the other hand, it requires its customers, even during the summer months when there is often an over supply of eggs, to take their goods at a price profitablefor it.

At the beginning of 1913 the selling prices were very low. This was chiefly due to the mild winter and the consequent increase of foreign competition. As the statistics show, the prices soon rose again and thanks to prudent management and the good use made of the situation, a higher average price was obtained than ever before.

Although the head quarters of the Society are comparatively far from the railway, the expenses are in proportion small. The statistics show clearly that with the considerable increase of the Society the cost per cent has been reduced with a rapidity out of all proportion to it. Further success, which may be expected with certainty, will lead to still more favourable results. Not only that the additional expenditure for salaries, carriage, and commissions decreases in comparison with the growth of the Society, but also, with the increasing requirements from year to year, the supply of the necessary articles is obtained under more favourable circumstances, which, in view of the large requirements, is a matter of great weight.

The balance sheet is very satisfactory, the debt on the building being reduced to one mark and a comparatively large reserve fund having been formed.

And, even independently of what is shown by the tables and by its balance sheet, the Society has developed. The eggs it sells have considerably improved in quality. Only at first do new members consign small eggs ; they soon learn that really good prices will only be given for large eggs. In consequence, since the foundation of the society, the average weight per egg has risen from 58.3 gr. (1901) to 60.8 gr. (1913).

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(1) Some of this bibliographical material, as well as the statistics and information given in this article, was collected immediately by Dr. José Luis Alcázar, one of the Staff of the International Institute of Agriculture, who was instructed to study the matter in Spain.

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In Spain, co-operation is of recent date. Although some societies for the manufacture of silk in Valencia were founded in the middle of the last century, we may say that the co-operative principle only established itself fully and firmly after the law of 1887 guaranteed the exercise of the constitutional right of association. The region of Catalonia, which is to day the most important co-operative centre of the country, in 1883 possessed only five societies. The movement in favour of agricultural co-operation, is still more recent, for, as we shall see, although it also began after the above law on the associations was voted, it only really made progress after the law of 1906 on agricultural syndicates.

It is extremely difficult to give an accurate and complete idea of the present situation of co-operation in Spain. The absence of statistics, the fact that the co-operative societies are not kept separate from the other associations in the prefects' registers, the isolation of most of these institutions and other causes yet, scarcely allow of our obtaining concrete and accurate information in regard to co-operation in the peninsula. Still, authorities like Diaz de Rábago, (1) Garido, Piernas, Hurtado and, generally, all the historians of the Spanish co-operative movement, agree in saying that co-operation has not developed in the degree required by the social

(1) DIAZ DE RÁBAGO, Joaquín : Complete works. Vol. VII. Co-operation in Spain. Printed by José M. Paredes, Santiago, 1900.

economy of the country and the working classes, both agricultural and industrial, " through their want of enterprise and insufficient economic education and their ignorance of the means in their power for the improvement of their situation, have not shown themselves as ready and eager to form co-operative associations as in other nations ". Needless to say that the movement has been most active in country circles. Fortunately, the results of the propaganda made by men like Chaves, Arias, Rivas Moreno, the Viscount de Eza, P. Vicent and others who have devoted their energies to pioneer work in behalf of agricultural association and co-operation is already bearing fruit.

Before studying the co-operation movement in the Spanish country and its effects, we shall briefly consider the legislative provisions in force in regard to it.

§ 2. Legislation on co-operative societies.

In Spain there is no special law for these societies; they generally come under the provisions of the general law of June 20th. 1887 on associations, which regulates the right of association, and the agricultural co-operative societies benefit by advantages granted by the law of January 28th, 1906 on agricultural syndicates.

(*A*) *Law of* 1887 *on Associations.* — This law, in its first article, after establishing its application to all associations not only and exclusively profit seeking, lays it down that " co-operative societies for production, credit or distribution " shall be also subject to its provisions. This is a general law rather providing for public order than for the regulation of groups or legal institutions. However, let us repeat, it is the only general law on the matter.

The foundation of the co-operative societies is, in the first place, subject, according to this law, to a tacit or preliminary declaration showing their legal character. The founders, eight days before the society is constituted, must lay before the Governor of the Province in which it is to have its head quarters, duplicate copies of the rules by which it is to be governed, clearly indicating the name and object of the society, the manner in which it is to be administered, the means by which it expects or intends, to cover its expenditure and the use to which the funds or the property of the society are to be put in case of dissolution.

If the documents have not been returned by the Governor within 8 days as not satisfying the required conditions, the society may be validly constituted.

These formalities being completed, the co-operative society is able to begin work, forwarding to the Governor a certified copy of the deed of constitution. The law does not require that the deed be public, so the societies may be constituted by private deed.

The societies may adopt any of the forms of commercial societies (that is, may be societies of collective title, societies *en commandite* or limited liability societies); the liability of members is fixed according to the provisions of the commercial code. They may be constituted with or without capital. In the first case, it must be shown whether this capital is entirely or only in part subscribed, and in what manner the society will pay its expenses.

The law obliges the associations to keep registers showing the name, professsion and domicile of all its members. This register must be exhibited to the authorities on demand. In addition, each provincial Government shall keep a special register in which the name and head-quarters of the associations of the regions are entered.

Such are the principal provisions of the law of 1887 which, considering the societies generally as simple associations, wrongly assimilated them to the *gremios*, mutual aid societies, thrift societies and all associations formed for scientific, artistic and benevolent purposes and, generally, to purely profit seeking associations and they limit themselves to the regulation of their external relations in public law.

The law in question does not grant any fiscal exemption in behalf of co-operative societies. Still these societies are exempt from stamp duty in accordance with article 203 of the stamp law of 1900.

The agricultural co-operative societies were regulated like the others by the 1887 law up to the year 1906, when the law on agricultural syndicates was promulgated, which, by means of exemptions and special privileges, gave a real impulse to rural association.

(*B*) *The Law of* 1906 *on Agricultural Syndicates.* — Generally, it may be said that all the agricultural co-operative societies now existing have conformed to the law of January 28th., 1906, on agricultural syndicates, for there is only a very small number governed by the law of 1887 on associations.

This does not mean that there are two fundamental laws on the subject. Indeed, the law on syndicates is not a really essential law by which all the associations formed for any one of the ends specified in it must necessarily be governed, but one instituting a regime of favour to which the associations may conform themselves either directly, by constituting themselves according to its provisions, or by applying to be considered as syndicates after they have been already founded. This will appear very clearly if we consider that not only does the law on syndicates impose no obligation on them in regard to the supervision to be exercised by Government authority but also that the executive regulations refer to the general law on associations when fixing the dates on which the syndicates must submit their accounts to the authorities.

Thus then, in regard to Spanish legislation on co-operative societies, the 1887 law on associations remains always the general law, the 1906 law on syndicates being published as a law of favour to encourage association generally and agricultural co-operation by means of special exemptions from taxation.

Let us now consider the principal provisions of the 1906 law on syndicates.

It is first of all laid down that as agricultural syndicates for the purposes of the law — that is for the enjoyment of the exemptions and privileges granted to these groups — are to be considered the agricultural associations, societies, communities and chambers constituted at the date of promulgation, or that shall be legally constituted later for one or more of the following ends:

(1) purchase of agricultural implements and machinery and breeding stock for the benefit of the syndicate;

(2) purchase, by the syndicate or the members composing it, of manure, plants, seeds, livestock and other things needed for agriculture and livestock improvement;

(3) sale, exportation, preservation, transformation or improvement of the produce of agriculture or livestock improvement;

(4) clearing, utilisation and drainage of waste land;

(5) construction or utilisation of works for the benefit of agriculture, livestock improvement or derived or auxiliary industries;

(6) application of measures against dangers threatening agriculture;

(7) creation or encouragement of establishments or organisations of agricultural credit (credit on personal security, on pledge or on mortgage) either immediately among the members of the association itself or by the foundation or assistance of banks or Pósitos not depending upon it, or by establishing itself as intermediary between such establishments and its members;

(8) the work of co-operative, mutual, insurance, aid or disablement and old age pension societies for farmers or livestock improvers;

(9) education, publication, experiment, the opening of exhibitions and shows and the employment of all means for the diffusion of knowledge of service in agriculture and livestock improvement and the stimulation of their development and progress.

(10) the study of the defence of the common agricultural interests of the syndicates and the settlement of their disagreements by means of arbitration.

We see then that although the ends indicated under clauses numbers 1 and 2 (purchase), 3 (production and sale), 4 and 5 (work) and 7 (credit) are of a co-operative nature, the law makes special reference to co-operative societies under no. 8, so that there may be no doubt on the subject of its application to these institutions.

The law also regards as syndicates the agricultural associations for collective ends included amongst those we have enumerated.

The legal position established by art. 38 of the Civil Code is recognised as belonging to the syndicates constituted in accordance with the law under consideration. They may consequently purchase and possess property of every kind, as well as contract obligations and exert action of every kind in conformity with the laws and provisions regulating their constitution.

The members of an agricultural syndicate may at any time withdraw from it, notwithstanding any clause to the contrary inserted in the rules

without affecting the obligations or liabilities assumed by them to which they are subject at the date of leaving the association. The rules shall lay down the rights the members may retain on withdrawing, in the case of thrift, mutual aid, pension and other similar institutions, acquired either by means of service or payment or freely during the period of membership.

The acts for the constitution, the modification, the union or dissolution of agricultural syndicates are exempted from all stamp and transfer dues (1). The acts and contracts to which an agricultural syndicate duly constituted and registered is a party as a legal person enjoy the same exemption it their direct object is the realisation, according to the rules of the society, of any of the ends enumerated in the law. Thrift, co-operative or credit institutions formed by agricultural syndicates on the basis of mutuality, among their members, shall only be liable to income tax in respect of the dividends distributed among the members out of the profits made.

Customs dues on machinery, implements, seeds, breeding stock and other articles required for agricultural or livestock improvement industry shall be repaid by the Treasury on demand made by the syndicate, always provided the Agricultural Department furnishes a statement as to the advantages and general utility of their importation.

Such are the principal provisions of the 1906 law, in accordance with which as we have said, the agricultural co-operative societies work. The final executive regulations were only issued on January 16th., 1908.

§ 3. The association movement and co-operative organizations in agriculture.

The legislative provisions we have just examined show that agricultural association and co-operation were not clearly defined and separated in it.

The same confusion existing in the legislative sphere appears also in practice ; in fact, there are scarcely any manifestations of co-operation in agriculture independent and specialised, as, so to say, there is no form of agricultural association the action of which does not take a co-operative form. Further, as we have said, almost all the agricultural co-operative societies now existing conform to the regulations of the law on syndicates so as to enjoy the advantages it affords and present themselves consequently under the form of syndicates.

(1) Notwithstanding these explicit provisions of the law we are examining, there was still a time when, in virtue of the provisions of the law of March, 1906 on customs and the financial law of 1910, the branches of the administration concerned held that they had been implicitly abrogated. The Minister of Agriculture, after consulting with the Council of State, settled the matter by means of a Royal Order of May 28th., 1914, declaring these exemptions to be still in force. See the number of this Bulletin for October, 1914. p. 22.

Thus, a study of agricultural co-operation in Spain implies not only a study of the co-operative societies but also that of the co-operative action of the syndicates, agricultural chambers, communities etc. It is therefore necessary to give a few indications of the association movement in Spain which is, at the same time, under some aspects the co-operative movement.

Although in Spain the principle of agricultural association and its practical realisation may be traced back to a very distant date, the manifestations of agricultural association, in its modern form, only appeared recently. Indeed, in 1770, the ancient Council of Castile registered 25,927 associations called *Cofradías or Hermandades;* these institutions had a character at once civil and religious, and possessed land, trees or livestock, which they enjoyed in common, and the profits from which they devoted to ends of a collective character : assistance to the sick, works of public utility for the locality, periodical festivals etc. There were also numerous institutions in Galicia, the Asturias and Valencia for insurance of livestock or for mutual aid to their members in the way of services. But all these associations which, having beneficence in the first place for their motive and end, represent an embryonic form of modern association, have remained stationary, living isolated lives and following local traditions, so that although they are very numerous today, as Costa, the historian of Spanish customary law, attests, they cannot be connected with the association movement now developing in the Spanish country districts.

Thus then, leaving aside these embryonic manifestations attesting the pre-existence of the spirit of association in Spain, in spite of the traditional profoundly individualistic character of the peasants, we must repeat here what we said at the beginning of this study, namely that the agricultural association movement, like the general co-operative movement, only began with the promulgation of the law of 1887 on associations and that its period of development only began with the promulgation of the law of 1906 on agricultural syndicates and the final regulations in connection with it.

If we now examine the agricultural social institutions that have contributed to develop co-operation by means of the form taken by their activity we see that these institutions are :

Agricultural Syndicates, including, under this name, rural banks and generally agricultural associations of a technical or professional character having for the most part co-operative sections ;

Agricultural Chambers, founded by Royal Decree of November 14th., 1890, to encourage and protect the interests of agriculture, the principal objects of which are to found (*a*) savings banks and insurance societies for the benefit of their members ; (*b*) to buy for resale or to hire machinery, implements, manure, seeds and livestock and guarantee the payment of these articles when bought by members ; (*c*) to receive deposits of every kind, to accept money in current account etc. ;

Farming Communities, established by law of July 8th., 1898, which, together with their rural police duties, have co-operative sections for distribution, credit and labour that they have instituted ;

Finally, the *Saving Banks*, and *Pawn Establishments*, which grant loans to rural banks and encourage their foundation,

One of the difficulties in the way of the study of the co-operative movement in Spanish Agriculture is the almost complete want of statistical data and monographic studies of a general character. However, according to the official and technical publications and the information we have been able to collect directly, it appears that in 1912 there were 2,029 agricultural associations distributed as follows : 93 Agricultural Chambers, 80 Farming Communities, 85 Saving Banks and 1,771 Agricultural Syndicates.

If we compare these data, exclusive of those for the Savings Banks, which we have no means of comparing with the corresponding figures for 1908, we may see the progress realised by agricultural association in 1908-1912.

	1908	1912
Agricultural Chambers	74	93
Farming Communities	24	80
Agricultural Syndicates	856	1.771
Total	954	1.944

To show the geographical distribution of the syndicates which, as we see, form the largest group of Spanish agricultural associations, we reproduce the following data from the Report published in 1912 by the Spanish Farmers' Association.

Provinces	Number of Syndicates	Provinces	Number of Syndicates
Alava	10	Lerida	20
Albacete	6	Logroño	21
Alicante	27	Lugo	21
Almería	5	Madrid	17
Avila	21	Málaga	2
Badajos	45	Murcia	7
Balearic Islands	18	Navarre	174
Barcelona	70	Orense	20
Burgos	50	Oviedo	38
Cáceres	48	Palencia	26
Cadiz	3	Pontevedra	20
Canary Islands	3	Salamanca	71
Castellón	24	Santander	41
Ciudad Real	3	Segovia	12
Cordova	11	Seville	45
Coruña	34	Soria	20
Cuenca	17	Tarragona	36
Gerona	24	Teruel	23
Granada	25	Toledo	7
Guadalajara	25	Valencia	77
Guipuzcoa	343	Valladolid	113
Huelva	11	Biscay	4
Huesca	17	Zamora	9
Jaen	3	Zaragoza	70
León	14		

The above table shows that agricultural association has made most progress in the provinces of Navarre and Valladolid; although Guipuzcoa has a large number of associations, most of them are old local livestock insurance societies now being transformed on scientific principles. The provinces with the smallest number of syndicates are Malaga, Jaen, Ciudad Real, Cadiz and the Canary Islands.

§ 4. Various forms of agricultural co-operation.

However, in Spanish agriculture, co-operation has not attained that degree of specialisation which is in other countries due to a superior degree of improvement and development. The organization of co-operation in Spain is still in its first stages. In fact, except for the orange growers' syndicates, rural banks, co-operative wine societies and a few others, generally the co-operative organizations derive their origin from the needs of the members of the rural associations. However, some time ago they began making their appearance under the form of special permanent divisions of these associations, which allows us to suppose that they will soon reach the degree of specialisation mentioned above.

In regard to the different forms of agricultural co-operation, it will not be possible for us to give complete statistical information for the reasons given in the foregoing paragraphs. The reader will find in the following pages a statement of the principal characteristics of these forms of co-operative activity met with in the field of Spanish agriculture.

As we have seen the agricultural co-operative forms are mostly agricultural syndicates. If we desire to establish approximately in what proportion these undertake different work we may say that, so to speak, there is no syndicate that does not contemplate the collective sale of manure and seeds; after this it is with co-operative credit they occupy themselves most frequently. The proportion of syndicates occupied with co-operative distribution is not more than 20 % or 25 %. From 15 to 20 % of them engage in the co-operative purchase of agricultural machinery and implements. Finally, co-operative production is only represented by the orange growers' syndicates and a few co-operative wine societies.

§ 5. Co-operative credit.

(a) *Rural Banks.*

Co-operative credit is of recent introduction in Spain. The first rural banks were founded in 1901 and 1902; but the movement in favour of the organizations only took definite form in 1904, when the banks in Navarre showed notable progress. The *Paz Social* reckoned that in 1910

a thousand social institutions were engaged in agricultural credit business. We may say that there are now scarcely any rural associations without their credit banks.

Amongst the most important of the Spanish rural banks, as regards their organization, their resources and their business operations, are those of the province of Badajoz, which, together with those of the province of Cáceres, are known under the name of *Cajas rurales Extremeñas*, that is of Extremadura. The essential difference between the banks of the province of Badajoz and those of Cáceres is that the former are founded among rich landowners, whilst the members of the latter are small farmers. These banks of Extremadura are founded on Raiffeisen principles, but with essential modifications which constitute them a special type.

They preserve the following characters of the Raiffeisen banks; the members are jointly and severally liable to an unlimited degree; they obtain material and moral advantages for their members by means of credit; there is no initial contribution of capital; they never lend to non-members; the members receive no dividends and the reserve fund is not to be touched even in case of the dissolution of the society.

But they depart from Raiffeisen principles in the points we shall now mention; besides the cashier, who is remunerated, even when he is a member of the Board of Management, the Manager, the Secretary and the Bookkeeper are all paid; and the action of each bank is not restricted to a small area but extends to a whole locality, however large, and sometimes to several localities. They further differ from the Raiffeisen banks in regard to the monthly contribution paid by members; the limitation of the amount to be given in various classes of loans and the amount which may be granted to members in each class; in regard to the qualifications necessary for the members of the Board of Management, and the right of the Board to invest a proportion of the annual profits for the advantage of agriculture.

Among these differences from the Raiffeisen system, it is the payment of monthly contributions that quite specially distinguishes the Extremadura Banks. There are, however, some banks, like that of Valencia del Ventoso, in which such contributions are not paid. In regard to the election of members of the Board of Management the difference is important; two thirds of the board must be elected from among a definite number of members, selected from among the principal contributors, and from this group the President, Vice-President and Secretary are chosen. So that attempt has been made to ensure the success of the Banks by means of their management by those whose liability is greatest.

In most of the banks now existing the foundation capital was formed by means of a credit opened at the *Banco de España* on the *personal* security of the members of the Board of Management. This credit varies, according to circumstances, between 100,000 and 150,000 and even reaches the amount of 200,000 pesetas, as in the case of the Bank of Fregenal de la Sierra.

The maximum limit of the loans in the banks where there is a limit varies generally between 1,000 and 5,000 pesetas for loans on personal security and on pledge and between 20,000 and 50,000 pesetas for those on mortgage. The Banks, which have fixed no limit, have granted loans up to 100,000 pesetas.

The ordinary interest in the case of mortgage loans, is 5 ½ % and in that of loans on personal security or on pledge 6 %. On savings deposits 4 % net is paid and they are exempt from all taxation.

The first of these banks was founded at Fuente de Cantos in October, 1905. Since that date more than twenty have been founded in the Province of Badajoz with more than 6,000 members including in their sphere of action 58 localities.

To show the importance of the rural banks of the province of Badajos, we give below the figures for the year 1912.

TABLE I. — *Situation of the 20 Banks on December 31st., 1912.*

		Total for all Banks	Average per Bank
Number of Members		6.009	300
Loans on Personal Security	Pesetas	1,430,779	71,538
„ „ Pledge	„	336,685	16,834
„ „ Mortgage	„	7,344,050	367,202
Capital Guaranteed by Joint and Several Liability	„	156,380,035	7,819,000
Debt to the Banco de España	„	3,661.859	183,092
Deposits	„	6,350,670	317,533
Real Estate and Government Securities	„	1,324,011	66,200
Own Capital of the Banks (Reserve Fund)	„	678,394	33,919

In order that the reader may have an idea of the position reached by the rural banks of Extremadura, we give below data showing the development of the banks of the province of Badajoz in the five years 1906-1910.

TABLE II. — *Progress of Rural Banks of the Province of Badajoz* 1906-1910.

Particulars	1906	1907	1908	1909	1910
Number of Existing Banks	9	14	20	24	24
Localities Included in their Spheres of Action	24	40	49	63	63
Number of Members	1,559	3,102	4,582	5,739	5,941
Capital Guaranteed by Joint and Several Liability	pesetas 40,245,105	pesetas 84,478,782	pesetas 134,483,480	pesetas 157,064,788	pesetas 161,349,075
Loans on Personal Security	332,077	834,594	1,199,438	1,354,681	1,354,887
Loans on Pledge	—	24,945	143,364	203,063	180,829
» » Mortgage	717,167	2,530,441	4,591,627	6,395,530	7,173,575
Total Loans	1,049,244	3,389,980	5,934,429	7,942,274	8,709,291
Real Estate and Government Securities Held by the Banks	—	—	434,060	439,060	716,056
Savings Banks	59,200	760,477	2,817,165	2,817,165	4,089,173
Debt to the Banco de España	1,323,510	3,090,429	5,566,346	5,566,345	5,183,813
Own Capital of the Banks (Reserve Fund)	11,033	72,941	158,254	308,540	308,540

Among these banks, that serving the largest number of localities (11 in all) has its head quarters at Cabeza de Buey; that of Almendralejo shows the largest number of loans, 1,304,175 pesetas; that of Villafranca de los Barros the highest figures for the reserve fund, real estate and Government securities, respectively 229,621 pesetas, 1,160,797 pesetas and 2,164,871 pesetas. The Bank of Fregenal de la Sierra has received the largest advance from the Banco de España (759,586 pesetas) and has the largest capital (31,696,695 pesetas)

The rural banks of the Province of Badajoz, of which we have just spoken, form the Agricultural Federation of Extremadura.

Together with the Extremadura Banks we have now studied, there are others in larger or smaller numbers in the other regions of Spain. We have already said that the movement in favour of these institutions first made progress in Navarre. In 1910 there were 143 rural banks in the region serving 417 localities. The Navarre banks are also unlimited societies. As

a characteristic peculiar to them, we shall mention that on their admission the members contribute 10 pesetas to the share capital, which is considered as a deposit without interest. These banks ask 5 % a year interest on their loans and 6 % for a fraction of a year; on deposits they pay 3 % per ann. On operations conducted between the banks 4 % is paid.

The *local* banks of Navarre are federated in *district* banks of which there are 5 : Pamplona, Estella, Túdela, Aoiz and Tafalla. Above the district banks is the *provincial* bank of Navarre, with head quarters at Pamplona, founded with a capital of 500,000 pesetas.

The agricultural syndicates composing the *Federación agrícola Montañesa* (province of Santander) have all rural banks of the Raiffeisen system granting loans at 5 % per ann. In 1910 this Federation had 412,979 pesetas in savings deposits and the amount of its loans came to 482,009 pesetas.

There are other important groups of rural banks in the provinces of Zamora, Zaragoza, Logroño and Valladolid, for the most part of Raiffeisen type and in the provinces of Murcia, Albacete, and Granada of the Schulze Type. Amongst these latter one of the most important is the bank of Alhama de Murcia, which commenced operations in 1906 with a capital of 6,000 pesetas and had in 1908 loans to the amount of 54,285 pesetas and deposits to that of 73,471 pesetas.

(b) *Land Credit Co-operative Societies.*

There are in Spain only a very small number of co-operative societies of the Landschaften type. As an example we shall briefly describe that working at Tortosa (Province of Tarragona) under the name of the " Olive Branch Agricultural Syndicate ".

This society, in order to obtain the funds required for credit advances to its members, issues mortgage bonds to bearer at 4 ½ %, payable at the end of every three months. The security of these bonds is the land pledged by the members in order to obtain the loans. In the deed of pledge of the land, indication must be made of the nominal capital in bonds, secured on mortgage in the case of each holding, which may never exceed half the estimated market price.

The society lends exclusively to members and the loans must only be used for one or more of the objects specified in the law of 1906 on syndicates.

Each member who has engaged a holding has a credit opened to him in current account at interest, at present 5 ½ %, that is 1 % more than the interest on the bonds. The maximum amount of this credit may not exceed half the market price of the holding as estimated by the Board. No operation in connection with these current accounts, whether credit or debit transactions, may be conducted for an amount of less than 25 pesetas.

The members may place money in current account with the syndicate; these amounts will bear interest equal to that the syndicate would pay if it borrowed from any Bank whatever. However, the Board of Manage-

ment may limit this right of the members, and decide not to accept for a time further deposits at interest and even to return those already received, if it is not able to invest them suitably.

The members who have engaged land receive the rent and administer the holdings, under the supervision of the Board. In case the member owes interest for more than a year and a half or an equivalent amount for expenditure, the Board undertakes the administration of the holdings engaged for its own account, until the sum is paid.

The members must recognise the preference rights of the syndicate in the case of their contracting any debt or obligation, so as to secure the rights of the syndicate to the revenue of the holdings engaged as well as to the produce from them in case of sales.

We have said that the bonds issued by the society are especially secured on land engaged. In order that this security may not be lost when a member withdraws all or part of his land engaged, a clause is inserted in the deed to the effect that the land in question ceases to form part of the capital contributed by the members of the syndicate and no longer secures a corresponding amount of the bonds. Deeds of this kind have no value or effect and cannot be registered unless accompanied by proof that the amount required for the extinction of the bonds was deposited in the Banco de España.

The reserve fund of the society is formed of the difference between the rate per cent collected on loans and the interest on bonds.

The " Olive Branch " agricultural syndicate was founded in 1913. We have no statistics of the work of the establishment nor of those of similar character, but we may say that its action has been very limited.

(c) *General Institutions Granting Credit to Co-operative Societies.*

Various general institutions encourage the constitution of co-operative credit banks by means of loans. The principal are the *Leo XIII People's Bank, the Banco de España* and the *Mortgage Bank.*

The first which extends its action over the whole country, has for its object the assistance of the agricultural or industrial working class by means of loans, encouraging the foundation of intermediary associations which guarantee the obligations contracted by the farmers or the industrial workmen. As the action of the Bank extends to the whole country and, consequently, it would be difficult to exercise effectual supervision over all its business, as well as to establish the individual solvency of each borrower, this institution grants all its loans through the medium of intermediary societies or organizations. On the loans the Bank grants the associations an interest of between 4 and 5 % is paid. The society serving as intermediary is responsible for the repayment of the amounts lent to its members, as well as for the payment of the interest, and it must forward to the Bank, before the expiration of the period of the loan, a detailed report of its work. The Bank accepts as savings deposits the amounts the credit banks have at their disposal. These deposits, which may not exceed 5,000 pesetas nor

be withdrawn altogether or in part without 30 days' notice, bear interest at 3 % per ann.

The foundation capital of the Leo XIII Bank was 500,000 pesetas.

To give an idea of the increase of the business of this institution, we give below the amounts of loans and withdrawals since the foundation of the Bank up to 1913 :

TABLE III. — *Operations of the Leo XIII Bank, from its Foundation up to* 1913.

Year	Loans Granted (Pesetas)	Amounts Withdrawn (Pesetas)	Amounts not Withdrawn at End of Year (Pesetas)
1905	34,583	4,012	30,571
1906	92,547	47,194	75,924
1907	157,455	110,811	122,567
1908	186,906	134,207	175,266
1909	297,925	234,331	238,859
1910	324,980	280,431	283,408
1911	411,000	317,650	376,757
1912	465,515	424,260	419,012
1913	628,854	453,842	594,023
Total	2,600,765	2,006,738	

The customers of the Bank in the rural districts are 667 associations (syndicates and rural banks) all of them Catholic societies.

The *Banco de España* also grants collective loans to syndicates and rural banks at a rate of interest varying between 4 ½ and 4 ¾ %. It may also open credits in current account on personal security for the syndicates ; but it is often impossible for them to avail themselves of this credit, for want of a guarantee.

The action of this bank in favour of the rural banks has been up to the present not very important. One of the causes contributing to make the agricultural associations hold aloof is that the notarial act the bank requires for the grant of the loans to these associations is excessively costly. As a remedy, the Agricultural Department has recently issued a Royal Order to the Governor of the Bank recommending the substitution of the notarial act required for the grant of loans to agricultural syndicates with unlimited joint and several liability by a certificate to the effect that

the managing committees have been authorized to grant loans, with indication of the number of members, their classification and the objects for which the loan is to be granted. The same Order lays it down that, when the loan is secured on pledge and there is also joint and several unlimited liability of the members of the agricultural syndicate, the interest is not to be fixed at more than 4 %. As this Order was only issued in 1914, its effects cannot yet be appreciated.

The third institution we have indicated above as an auxiliary of co-operative credit is the *Mortgage Bank*, formed with a capital of 50,000,000 pesetas. This establishment was at first started for the benefit of agriculture, but it afterwards increased its urban business to an extraordinary degree and its action in the rural field is of very little importance.

There are other establishments which, although less important, are, thanks to their loans, of real utility for the co-operative credit banks. Let us mention among these the savings banks and pawn establishments of Oviedo Leon and Cáceres ; the *Pósito de los cuatro Sexmos* and the Pedro Rascón Bank of Salamanca ; the Central Syndicate of Agricultural Associations of Zaragoza, the Navarre Credit Institute ; the Biscay Bank, the Santander Bank and a few others.

Let us finally mention that a Royal Decree of October 16th., 1914 granted the pósitos existing in one and the same province the right to unite in provincial federations for the purpose, amongst other business, of granting loans to the agricultural associations.

(*To be continued*).

UNITED STATES.

FARMERS' ELEVATORS IN THE NORTH CENTRAL STATES.

SOURCES:

AMERICAN PRODUCE EXCHANGE MARKETS. *Annals of the American Academy of Political and Social Science.* Vol. XXXVIII. No. 2. September, 1911.

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§ 1. METHODS OF MARKETING THE GRAIN CROP IN THE NORTH CENTRAL STATES.

Before beginning any account of the origin and growth of farmers' elevators it will be advisable to describe somewhat fully the methods employed in selling the grain crop of the North Central States. For the purpose we have in view an elaborate description of the credit machinery by means of which the various transactions are financed will not be necessary. It will be sufficient if we examine the transactions themselves, following step by step the process of transferring the grain from the farm to the great terminal markets from which it is distributed for consumption in the United States, or for exportation. It need only be noted that this process of 'moving the crop' can only be accomplished by means of credit, and that the necessary credit must be furnished, ultimately, by the banks. The banks furnish credit to the important elevator companies and to dealers and commission men, who are thus enabled to make advances to their local agents who in turn are able to buy the grain which the

farmer has to offer. Of all the parties concerned in the process, the farmer with least credit at his command is least able to wait, — a fact which, as we shall presently see, made it possible for the grain dealers to establish a monopoly and for a time dictate the price to be paid to the farmers for their grain, — this monopoly in turn leading as a natural result to co-operation among the farmers as a means of defence. It was in this way, in opposition to a monopoly which was felt to be intolerable, that the first farmer's elevator companies were formed.

In marketing grain in the North Central States the part played by the railway companies is of immense importance. Much of the grain produced, whether maize, wheat, barley, oats or rye, has to be shipped long distances by rail into the primary markets, such as Chicago, Minneapolis, St. Louis, Kansas City or Omaha. The price paid to the farmer at the point where he ships his grain is determined by the price in the primary market, and is equal to this latter price less the cost of transport to the primary market and a small selling commission. The farmer first hauls his grain from the farm to the nearest railway station. Here he may have the option of selling it to: (1) an independent dealer, (2) a 'line' company, or (3) a farmers' elevator company.

The independent dealer owns a single elevator (or at most a few elevators at neighbouring stations), and is independent in the sense that he is not connected with any of the large grain syndicates or 'line' companies as they are called. The line company has its headquarters in one of the primary markets and owns, or at least controls, a large number of elevators situated generally along one line of railway. In the primary market it owns a 'terminal' elevator in which the grain sent from the country elevators is stored in the event of its not being sold as soon as it reaches the market. This terminal elevator is generally also a public warehouses for grain, compelled by law to accept grain for storage up to the limit of its holding capacity from any person who may offer such grain.

The farmers' elevator company is an association of farmers owning a country elevator and engaged, like its competitors the independent dealer and the line company, in the business of buying grain from the farmers, storing it for a longer or shorter period and finally selling it in one of the primary markets. It differs from its competitors in being co-operative in character, though its legal status is usually that of an ordinary commercial company and almost invariably it is described as a 'farmers'' company, not as a 'co-operative' company.

The buyers who represent the agencies just referred to, regulate their prices for the different kinds and grades of grain by the prices ruling on the nearest primary market. The grain, however, is not inspected by State inspectors, and therefore is not officially graded, until it reaches the primary market, so that each buyer in the country must depend upon his own judgment in determining the proper grade of the grain which the farmers have to sell. Where competition is keen, buyers are naturally inclined to allow the farmer the benefit of any doubt,

and the grain is graded somewhat leniently. Where there is little or no competition it will be graded much more strictly, and probably upon the whole somewhat lower than it should be.

When the grain has passed into the posession of the country elevators the next step is its concentration in the primary markets. The line elevator company sells in these markets through its own representative on the exchange. The independent dealer and the farmers' company sell through commission dealers, — the buyers in either case being the terminal elevator companies and the millers.

Two principal forms of contract to sell are used in Chicago and the other markets of the North Central States. The sales are distinguished as sales 'to arrive' and sales 'on track.' In selling 'to arrive' the country elevator agrees to deliver to the terminal elevator company a 'round lot' of grain (which may be any quantity from ten thousand to a hundred thousand bushels) within the fifteen days following the sale. To fill such a contract the grain is shipped out of the country elevator and each car-load as it reaches the market is turned over to the terminal elevator. Thus a single sale covers a large number of shipments. In sales made 'on track' the grain leaves the country elevator unsold and is offered on the exchange in car-load lots. When the grain is sold the seller hands the numbers of the cars to the buyer and orders the railway company to deliver the grain at the buyer's warehouse. The grain is unloaded under State supervision and weighed by a State official. On the basis of the official figures the seller makes out his bill and presents it to the buyer. If the sale has been made by a commission dealer on behalf of the country elevator an 'Account of Sales' is rendered by him in the following form :

Folio . . . *Duluth, Minn.*, ... 19 . .

Account Sales by . . . . . .

For Account of . . . . . .

Car	Initials	Contents		Date of Sale	Gross Weight	Dockage	Net Bushels	Price	Amount
		Grade	Dockage						
		Freight, Inspection and Weighing.							
		Switching Trackage . .							
		Reinspection							
		Storage							
		Insurance							
		Commission							
		Days Interest at per cent.							
		Net Proceeds							
		Advanced							
		Balance							

In the above account the item 'Advanced' refers to any sums advanced by the commission dealer to the country elevator company. The latter as a rule has comparatively little capital of its own and works very largely with funds advanced by its own bank or by the commission dealer in the primary market.

It has already been mentioned that grain arriving in the primary market is graded by State inspectors. The system of State inspection — a peculiarly American institution — was introduced in Illinois in 1871, and has been brought to a very high degree of efficiency in Chicago. Formerly all grain was inspected while in the cars at the station yards, but this method of 'track inspection' as it was called was unsatisfactory and was definitely abandoned some eight or ten years ago and substituted by 'office inspection.' By this method each car is sampled while in the station yard and the samples are carried at once to a special office where they are carefully examined and graded by a staff of trained inspectors. This indoor inspection, carried out under the most favourable conditions in a well-lighted and suitably warmed room, is completed with the utmost

despatch and gives excellent results. It fixes the grade at which every parcel of grain which reaches Chicago shall be sold on the exchange. A trader who is dissatisfied with the grade assigned to his grain may ask for a reinspection ; and if dissatisfied with the result of a reinspection may appeal to a Committee of three members, whose decision is final.

Returning to the question of the forms of contract to sell that are used in the primary markets, it must be observed that a certain amount of grain is not offered for sale upon its arrival but passes into one or other of the public elevators and is stored there in the expection of a rise in prices. When the market is considered favourable this grain is offered on the exchange as grain ' in store '. This method of selling ' in store ', however, is but little used in the United States where nearly all the grain is sold ' on track ' or ' to arrive '.

The terminal elevator companies, who are the chief buyers in the primary markets, make their profits mainly from the storing and mixing of grain, and sell finally to the shippers and exporters who supply the Eastern markets of the United States or sell to foreign countries. A terminal elevator company may hold the grain it has bought and, when a favourable opportunity offers, sell it at a profit without in any way altering the quality ; but as a rule it mixes, and where necessary, drys and cleans the grain in store in such a way that when inspected on being sold out of the elevator it will grade higher than when bought by the company. Mixing different qualities of grain for the purpose of raising the grade and so making an additional profit upon selling it, is a perfectly legitimate process, but is at the same time one which in the interests of honest trading calls for regulation. Obvious abuses are prevented by imposing certain restrictions upon mixing. Stored grain, that is grain which is in the keeping of a public elevator company but does not belong to it, may not be mixed with other grain except with the authority of the owner of such grain ; and both before and after mixing it must be kept in separate bins so as to preserve its identity. Under severe penalties an elevator company is prohibited from mixing grain which does not belong to it with the object of making a profit for itself, but there is a great deal of mixing done with the grain bought by the companies for resale, and it is defended as being in the long run profitable to the farmers. The elevator company, it is contended, is willing to buy from the farmer grain which for any reason is so inferior as to be unclassified, and to pay a fair price for such grain knowing that by judicious mixing it can be turned into a marketable product. If mixing did not take place, all inferior or damaged grain — what is called ' no grade ' grain — would of necessity remain unsold in the hands of the farmer.

So far the selling process has been traced to the concentration of the grain in the primary markets. The next group of persons concerned in the process of distribution is made up of the dealers in the seaboard markets of the United States. They buy the grain from the terminal elevator companies and sell it in the Eastern States to millers and grain merchants, or if they are exporters, offer it upon the great European markets

such as Liverpool, Antwerp and Hamburg. In addition to trading upon his own account a dealer in a seaboard market like New York or Philadelphia often acts as agent for shippers in the primary markets.

The seaboard dealer who sells for export, in calculating the price which he can sell, has to take into account a great many factors, — the cost of the grain at the seaboard, the rate of exchange, the cost of ocean freight and insurance, interest, broker's commission and his own profit. Some of these factors are subject to sudden, and often to very wide fluctuations. The legitimate grain dealer does not speculate upon these fluctuations. His object is to make a fair and, if possible, a regular profit upon his sales, and he combines his transactions in such a way that he is insured against the risk of any fluctuation occurring after he has entered into a contract. In fact, not only the exporter but every dealer in grain, whether at the small country stations, in the primary markets, or in the seaboard towns, covers his transactions by a species of insurance, and it is only because dealers are thus able to contract out of certain risks that they are able to buy and sell huge quantities of grain with security. The risks are borne by a special group of persons whose profession is the acceptance of such risks, and the legitimate grain dealers are thus left free to devote their specialised knowledge and their capital to the problem of distributing each year's crop of grain.

We have now to examine the circumstances under which a number of large companies established and for a number of years maintained a monopoly of the trade.

§ 2. The monopoly of the line elevator companies.

Until some time after 1870, farmers in the North Central States appear to have been satisfied with the treatment they received from dealers in the matter of prices for grain. They complained, it is true, that the high freight rates charged by the railway companies unduly diminished the prices established in the primary markets; but among any group of farmers anywhere in the United States a grievance against the nearest railway company may be regarded as not only chronic, but incurable. Amongst the buyers in each district competition was keen, and the farmer who hauled his grain to the railway station had only to wait until each dealer had bid for the grain and then sell to the highest bidder. Some of the dealers owned elevators where they could store the grain they bought; others had no facilities for storing and loaded the grain straight from the farmer's wagon into the railway freight car. A dealer of the latter type was known as a 'track buyer', or in the language of the trade, a 'scooper'.

But while this system of free competition benefited the farmer it proved disastrous to many of the grain dealers, who in their own defence formed grain dealer's associations which, within a few years of their formation, had gained effective control of the trade.

The dealers had certain legitimate grievances. They sometimes suffered heavy losses through dishonest commission sellers in the primary markets. They were at times cheated by weighmasters in the same markets; and they lost each season an appreciable quantity of grain on account of leaky and badly constructed cars which lost or wasted the grain in transit. The grain dealers' associations by employing their own agents and inspectors were able to effect various improvements in the organisation of their business, and in particular secured valuable concessions from the railway companies with respect to the carrying service furnished and the rates charged. The net result was to eliminate much of the speculative element from the trade.

Had the dealers' associations confined their activities to effecting economies in the business of selling grain, there could have been no possible objection to the policy of combination. But they began soon to adopt very different methods of promoting the interests of their members. The regular dealers had always been hostile to the track buyer, and they now determined to crush him. The associations first passed resolutions binding their members to refuse to deal with any commission firm that accepted business from track buyers. Commission men, naturally, at once stopped selling for track buyers, whose business was at any time an uncertain quantity, many such buyers entering the market only when profits were exceptionally high. In addition, the associations attacked the track buyer through the railway companies, inducing the latter to make a rule to the effect that cars would only be supplied to those shippers who, when making application for the cars, could show that the grain was acctually awaiting shipment at some point on the railway line. As the track buyer had no place in which to store grain it was thus made practically impossible for him to obtain cars. He had been accustomed to ordering the cars first and buying the grain afterwards.

The associations having practically crushed all outside competition found it a comparatively easy matter to restrict competition among their own members in such a way as to ensure to each member a reasonable profit after paying all expenses; and when this point had been reached it was realised by certain elevator owners and capitalists that the grain trade offered an exceptional field for the formation of strong controlling syndicates. Between 1887 and 1890 the trade passed almost entirely into the hands of a small number of syndicates, each of which controlled the trade along one line of railway. As a rule the grain syndicate was represented upon the board of directors of the railway and this system of 'interlocking directorates' gave the syndicate a virtual monopoly of the business of buying and selling grain within the whole of the territory served by the railway line. Moreover, the promoters and largest shareholders in the grain syndicates were owners of public warehouses in the primary markets. When it was necessary to store grain, the syndicate as grain dealer would be paying storage charges to itself as warehouse proprietor, and as warehouse proprietor would be charging storage to its competitors in the grain business. It is asserted that by 1890 or shortly afterwards real public

warehouses no longer existed in Chicago. All the elevators were owned or controlled by the line companies.

When these companies had secure control of grain buying in the country, the position alike of the farmer and of any grain dealer who attempted to act independently soon became intolerable. We have seen how the grain dealers' associations prepared the way for monopoly by limiting competition among their members. With the advent of the line companies the associations ceased to be in any sense associations of independent dealers and became simply the representatives of the line companies. Only 'regular' dealers, that is to say those who worked in harmony with the line companies, were admitted into the associations: 'irregular' dealers, who preferred their own methods of doing business to the methods dictated by the syndicates, were boycotted by the commissions dealers, harassed and opposed in every possible manner until either they were driven out of business or, to avoid financial ruin, became 'regular.' Some of the line companies controlled as many as six hundred country elevators, so that it is easy to understand how they were able to manipulate the grain dealers' associations.

The methods resorted to by the associations were clearly stated in the case *State of Nebraska* v. *Omaka Elevator Company* (1). The evidence presented on behalf of the State established the fact that the Nebraska Grain Dealers' Association on April 1st, 1905, had a membership of seven hundred, and that another two hundred dealers, although not members of the Association, were working in harmony with it. Out of some twelve hundred dealers in the State, the Associations thus controlled nine hundred. The main objects of the Association were 'to fix, regulate and control the price of grain in the State; to put an end to competition in the grain business; and to drive out of business all irregular and independent dealers in grain' (2).

To achieve these objects the following expedients were adopted. In the first place a price committee of five members was appointed which fixed the prices to be paid for grain throughout the State by members of the Association and dealers working in harmony with them. All these persons were from time to time notified by card of the prices established by the committee, and all buyers in the same locality were required by the rules of the Association to make the same offers for grain. The list of prices was changed as often as the fluctuations of the market made it necessary.

When a dealer at any buying point refused to adhere to the price list of the Association he was summarily dealt with. If he was known to be the possessor of a comparatively small capital, the regular dealers, financed for the purpose by their Association, outbid him in their offers to the farmers; that is to say, for a time they paid the farmers at that point more than their grain was really worth, so that the independent dealer could secure no trade and was soon driven out of business or forced to surrender. As a rule

(1) 75 Nebraska, 655.

(2) From the report of the referee in *State of Nebraska* v. *Omaha Elevator Company*.

he followed the scriptural injunction and agreed with his adversary quickly. Where, on the other hand, the would-be independent buyer was strong financially, the Association made no attempt to raise prices against him. They attacked him through the dealers in the primary market where he sold, who would be prevailed upon to offer him less than the ruling price for his grain, thus compelling him to sell at a loss. In this way all opposition to the line companies and the Association was speedily crushed.

It is interesting to note that by the rules of the Nebraska Grain Dealers' Association the members of the price committee were to be appointed from the five leading companies within the Association. Thus all the smaller line companies, all the individual dealers and, lastly, all the farmers who toiled year by year to produce the grain, were exploited in the interests of a few gigantic companies.

The position in other States was practically the same as in Nebraska. Before 1900, and in many districts as early as 1890, the Associations had secured a complete monopoly. They not only fixed the prices to be paid, but determined the amount of grain that each member was entitled to buy. Those who exceeded the amount allotted to them were fined by the association in proportion to the excess amount acquired, and the amount collected in fines was distributed among the members who had secured less than their allotted amount. There was, therefore, no reason why any dealer should show himself specially active in securing grain at the buying points. The farmer who, under these conditions, hauled his grain to the railway, found all the dealers at the shipping point quite indifferent as to the ultimate destination of the grain he had to sell. Each offered the same price as all the others. The farmer could accept the price or haul the grain back to the farm.

When engaged in building up their monopoly the line companies had begun in each locality by offering high prices, and had done their best to persuade the farmers that it was to their own interest to deal with powerful companies, as such companies were able to work much more economically than small firms. When once the monopoly was established the farmers found that the high prices were but a temporary phenomenon, and that, whatever economies might be effected by large scale dealing, they did not reap any of the benefit. As we shall now see, the lesson which the farmers thus learnt soon bore fruit.

§ 3. The rise of the farmers' elevators.

Under the conditions which have just been described the first farmers' elevators were formed. The farmers in the village of Rockwell, Iowa, were the pioneers of the movement (1) and formed a farmers' company in 1889

(1) A number of farmers' elevators had been formed at various points in the North Central States at a considerably earlier date. But their history had been brief and inglorious. Refsell, writing in the *Journal of Political Economy* says: "As a result of mismanagement and other difficulties practically all of them failed after but a few stormy years of operation." The Rockwell company was certainly the pioneer company of the present movement.

or 1890, but for some reason their example was not followed by farmers in other districts till 1900, when two more elevator companies were formed.

The members of the Rockwell company introduced into their bye-laws a clause upon which it may be said that the success of the whole of the co-operative movement in the grain trade is founded. This is what is generally called the 'penalty clause' and it enacted simply that each member should pay into the funds of the company a commission of one-half cent per bushel upon all the grain he sold, whether sold to his own company or to a competing elevator. The effect of this clause which it would be more accurate to describe as a 'protection' clause, is evident. The half cent which the farmers pay when they sell thorough their own company represents the estimated cost to the company of storing the grain and negotiating its sale. The company receives this commission whether it handles the grain itself or allows the member to sell to a competing company, so that it cannot be driven out of business by its competitors offering high prices. The higher the prices they offer the less profit they will have for themselves, and in the meantime the high prices they are paying are helping to support the farmers' elevator.

The 'penalty clause' was the weapon with which the Rockwell farmers fought and defeated the monopoly. The line companies and the grain dealers' associations tried by every device known to them to drive the farmers company out of business, but the members of the latter proved determined and resourceful, and the line companies finally gave up the struggle. Like most beaten combatants they tried to minimise the importance of the fight and made light of the farmers' victory. But in the course of time farmers in other localities heard of the successful stand that had been made against monopoly, learnt the methods of the Rockwell farmers, and began to follow their example. By 1903, more than twenty farmers' elevators had been formed. A year later, although the movement was confined to the states of Iowa and Illinois, there were one hundred and twenty in operation. The monopolists, seeing their position seriously threatened, did all in their power to impede the spread of the movement. They were particularly active in circulating news of mismanagement and failure among the farmers' elevators. They tried to persuade merchants of all kinds to oppose the farmers, assuring them that co-operative elevator companies would not long confine their activities to dealing in grain but would become competitors of the merchants in every line of business. They compelled the commission dealers to boycott the farmers, and by this last method they almost succeeded in driving the farmers out of business, — almost, but not quite, for even at the worst moment when the farmers' companies were boycotted on every side, there were two commission firms in Chicago that continued to do business for them.

The natural resentment felt by the commission dealers to the interference of the line companies with the business of selling grain in the primary markets, led inevitably to a reaction of opinion in favour of the farmers. The commission dealers found their own field of operations curtailed, and saw that a monopoly of the grain trade at any stage threatened their own

interests. In this frame of mind they began to lend their active support to the spread of the farmers' elevator movement. The existing elevator companies soon found that if they were to command respect they must establish a central oganisation of some kind, and in 1903 the Illinois Farmers Grain Dealers' Association was organised at Springfield by the fifteen farmers' companies of the State. The following year the Iowa State Association was formed at Rockwell with some twenty memmbers. These associations, supported by the commission dealers who had been boycotted by the line companies, immediately began an active campaign for the extension of the co-operative movement,— helping weak companies. founding new ones and instructing the farmers in the methods of organising a company.

The success of the movement soon exceeded the expectations of its most sanguine supporters. The Illinois Association, which in 1903 consisted of a few companies whose commercial success was doubtful, had grown by 1905 into a union of 125 prosperous companies. Progress had also been rapid in Iowa, where, in 1905, there were at least 78 farmers' elevators in operation. The associations, greatly facilitated the work of organising the local companies. They obtained concessions for sites for the erection of elevators from the railway companies, — in one case at least after a long fight in the courts. The actual organisation of a company when undertaken by an association was completed in a few months, whereas formerly it had taken the farmers a year, and in many cases as long as two years, to overcome the initial difficulties of forming a company.

The annual meetings of the state associations did much to help the spread of the movement. These meetings, which generally lasted two or three days, were attended by delegates from all the farmers' companies in the state who were thus able to compare their experiences, help and advise one another and perfect their plans for the coming year.

As soon as the farmers realised that they could compete successfully with the regular dealers and the gigantic companies the growth of the co-operative movement was rapid. It spread from Iowa and Illinois into Minnesota, Kansas, South Dakota, North Dakota, Wisconsin and Indiana; and at the present time all these states except Wisconsin and Indiana have their own associations of farmers' elevator companies.

The growth of the movement in the various states is shown in the following table (1).

(1) From the *Journal of Political Economy*, December, 1904. The figures, collected from the published reports of the annual meetings of the State associations, are in some cases approximate only. It is probable that the number of elevators has been underestimated rather than overestimated in the table, owing to the fact that where it has not been possible to obtain the figures for any particular year the latest figures available have been repeated. Powell, in *Co-operation in Agriculture* gives the number of farmers' elevators in the United States in 1911 as follows: Iowa 327, North Dakota 315, Minnosota 266, Illinois 235, South Dakota 222, Nebraska 193, Kansas 126, Wisconsin 38, Oklahoma 33, Indiana 24, all other States 87.

Farmers' Elevators in the North Central States, 1903-1913.

	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913
Illinois	15	90	125	125	150	170	170	225	300	300	300
Iowa	7	30	78	175	200	209	250	300	324	347	347
Minnesota	—	—	—	150	168	178	205	224	240	277	307
North Dakota	—	—	—	85	85	85	85	85	300	350	350
South Dakota	—	—	—	100	100	100	150	200	200	220	220
Nebraska	—	—	—	—	—	140	160	200	200	200	200
Kansas	—	—	—	—	—	—	—	—	—	—	32
Total	22	120	203	635	703	882	1,020	1,234	1,564	1,694	1,756

The work of consolidation did not stop with the formation of state associations and the holding of an annual state convention. In 1911, after various informal meetings, the National Managers Association of Farmers' Co-operative Companies was organised at Chicago. The following year the 'National Council of Farmers' Co-operative Associations' was formed at Minneapolis. This Council has already lent valuable help to the whole movement. It consists of delegates from all the state associations, and is occupied largely with providing expert legal advice to farmers' companies and with watching carefully over legislation both in Congress and in the state legislatures.

§ 4. The Farmers' Elevator Company as a Business Organisation.

It remains for us to examine a little more closely the internal organisation of a farmers' elevator company.

Such a company is usually registered under the ordinary company laws of its own state. It is sometimes described as a co-operative company and occasionally the word 'Co-operative' forms part of the registered title. The capital is ordinarily about $10,000, but may be as low as $2,500 and is sometimes as high as $20,000. Shares are issued, generally of a nominal value of 25 or 50 dollars. The number of shares which may be held by any one person is usually limited; or the number of votes to which a member becomes entitled is limited without regard to the number of shares he may hold. Very often each shareholder has one vote only. As a rule, shares either are not transferable or their transfer is in each case subject to the approval of the board

of directors. The history of a number of farmers' companies has proved the need for such restrictions. In some cases in the past the line companies, by the simple process of buying up a majority of the stock issued, obtained control of the farmers' company. In one well-known case, which gave rise to an important legal decision, a shareholder in a certain farmers' elevator company demanded leave to examine the company's books. It was during the period when the boycott was at its height and the company was able to do business only by keeping secret the names of the commission firms with which it dealt. It was known that the shareholder in question was acting for the opponents of the company; and leave to examine the books was refused. The shareholder brought an action, but the courts upheld the right of the directors to refuse to reveal the affairs of the company to a competitor.

The business of the farmers' company is conducted by a manager who is an expert grain buyer. The company buys the grain at a fair price, and when competition is keen pays the farmers the primary market price less the cost of freight, and assesses the cost of working against the members in proportion to the amount of their dealings with the company, in this way forcing its competitors to do business without making any profit.

Since the farmers' companies are usually recognised under the ordinary company law the shareholders are entitled to participate, in proportion to their holdings of shares, in any profits earned. In the majority of farmers' elevator companies therefore, profits are distributed as in an ordinary commercial company. Some few states however, have passed special laws dealing with co-operative societies, and a number of farmers' companies, availing themselves of these laws, distribute their profits on the co-operative principle. In these cases a definite rate of interest is paid upon share capital, and that part of the net earnings which remains is distributed among the patrons in proportion to the amount of business they have transacted with the company during the year ; and since a farmers' elevator does not usually confine itself to dealing in grain but sells other commodities as well, the basis upon which profits are distributed is the money value of the patron's business, taking into account both purchases and sales.

The principal business of the farmers' elevators consists in the buying and selling of grain, but incidentally they do a very considerable business in supplying their members with coal and timber, bricks and drainage tiles, and even with farm machinery, binder twine and oil. About ninely per cent. of the farmers' elevators sell coal to their members, who effect a saving of from 50 cents to a dollar per ton by purchasing through their own company. In the coal business the farmers met with much the same kind of opposition as they had already encountered in the grain trade; but when they began to buy and sell coal they already possessed in their elevator companies an established organisation; they had a considerable capital at their disposal; and they had learnt much from their fight with the line companies. The wholesale dealers in coal attempted to boycott the farmers' companies, but they were never very successful,

and the farmers won their second fight against established interests with comparative ease.

A number of farmers' companies, in addition to handling grain, act as livestock selling associations. They collect at regular intervals all the stock which their members have ready for sale, earmark and weigh each animal, and make up full car-loads for the central markets. Professor Hibbard of Wisconsin University estimates that one-eighth of the farmers' elevator companies in Iowa undertake the sale of livestock for their members.

In each branch of business, whether buying or selling, the aim of the companies is to give the highest possible return to the patrons. There is a certain element of danger in the fact that most of them are registered as ordinary companies. The interest of the shareholders is to keep the margin of profit at least fairly high so as to ensure the payment of a dividend upon shares. The interest of the patrons is to keep profits down to a minimum. Unless the interests of both coincide, a company is to a certain extent in a state of unstable equilibrium. Patrons are generally — though not always, and not necessarily — also shareholders, and in practice the companies work smoothly enough. It is recognised, however, that whenever possible a farmers' company should be definitely organised as a co-operative company. Unfortunately it is only in very recent years that special legislation dealing with co-operative societies has been passed in any of the states, and it is hardly to be expected that a farmers' company, organised before the appearance of such legislation and working satisfactorily as a commercial company, should undertake the difficult task of reorganising as a co-operative association.

Part II: Insurance and Thrift

AUSTRIA.

PRESENT POSITION OF LIVESTOCK INSURANCE.

The objection is often brought against the assumption of economic functions by the State or other public bodies that the public administration, save in rare instances, does not succeed in satisfying the economic requirements of the population as well as private action, since it is bound by numerous conventions and generally unable to meet the variable requirements of economic life with the same rapidity as the more independent and more adaptable private undertakings : this objection has been often made against State intervention in the field of insurance.

However, many practical examples exist to show that the public insurance institutes can work successfully and are alone in a position to solve certain serious problems of social politics, because they are unhampered as far as is possible, by the general systems of bureaucratic administration and consequently enjoy the necessary freedom of action.

And especially in the field of agricultural insurance have the public insurance institutes of several States a highly important function.

In Austria livestock insurance is almost entirely undertaken by public institutions, except in the cases in which it is entrusted to the local livestock insurance societies, now antiquated and unable to realise important results.

A very important account of the position of livestock insurance in Austria, based on the statistics of the year 1913, is to be found in a report of the Provincial Administration of Lower Austria laid before the Diet of that province (1).

(1) "Report of the Provincial Administration of the Archduchy of Austria below the Enns on the Studies made with regard to Livestock Insurance" — $6^{1}/_{2}$ Schedule attached to the Report of the Provincial Diet of the Archduchy of Austria below the Enns, Vth. Parliament, Vth. Session, Presented and Approved on June 24th., 1914.

From this report drawn up by one of those best acquainted with the subject of livestock insurance in Austria, the Deputy Manager of the Viennese Institute for Livestock Insurance in Lower Austria, Victor Schromm, the greater part of the information given in this article is derived. We have at the same time availed ourselves of the annual reports of the several provincial institutes published later, so as to make our study as complete as possible.

§ 1. State assisted livestock insurance in Austria.

In Austria for some years public livestock insurance has been making notable progress, especially as a result of the subventions that have been granted since 1910 to insurance institutes founded in the different provinces of the State.

In accordance with the law of December 30th., 1909 (R. G. Bl., No. 222), a fund has been formed for the encouragement of livestock rearing and improvement, to which 6,000,000 crowns a year are assigned up to 1918 inclusive. Out of this fund important contributions are placed at the disposal of the various Provinces of the Empire for purposes of livestock insurance.

Without these grants of public money, livestock insurance would not be able to develop properly, since it would be too costly for many farmers. The assistance of the State is, indeed, also justified by the fact that this insurance liberates it from many other obligations. Were it not for it, the State would probably have to pay far larger sums in relief in cases of public calamity. The law of August 6th., 1909 (R. G. Bl., No. 177) on epidemic livestock diseases establishes the obligation of the State to give compensation in case of extraordinary losses of livestock, providing for Government subsidies in the case of animals dying from certain definite infectious diseases. Practically this compensation in the case of some diseases (esecially tuberculosis) is only granted in an extraordinarily limited number of cases, in others (for example, symptomatic anthrax) only partial conpensation is given. Since the provincial livestock insurance institutes also in these cases pay the regular compensation established, the State subsidy must be regarded as partly a compensation for the assumption by these institutes of duties that would otherwise be really incumbent on it. Further, the livestock insurance institutes, by means of the measures they adopt in combating tuberculosis and for the improvement of the feeding and keep of livestock, contribute to attain the same ends as the Government institutions for the improvement of agriculture; therefore, even from this point of view, there is justification for a certain amount of State assistance.

The following table shows how the contributions from the fund for the encouragement of livestock rearing and improvement are distributed among the provinces of the Empire and the proportion assigned in 1912 for livestock insurance.

TABLE I. — *Distribution among the Provinces of the Empire of the Contributions out of the Fund for the Encouragement of Livestock Rearing and Improvement. Year* 1912.

Provinces	Horned Cattle, according to the Census of December 31st., 1910 serving as the Basis for the Distribution — Number of Head	Contribution Due to Each Province, according to the Number of Livestock — crs.	Proportions of the Contribution and of the Credit Balance from Previous Years, Assigned for Livestock Insurance	
			Total crs.	%
Lower Austria	609,509	332,656.53	100,000 —	30
Upper Austria	552,877	301,795.08	30,000 —	10
Salzburg	128,618	70,207.81	2,000 —	3
Styria	683,443	373,066.22	152,489.37	41
Carinthia	222,383	121,390.65	12,000 —	10
Carniola	226,977	123.808,35	—	—
Tyrol	412,667	225,259.63	50.000 —	22
Vorarlberg	58,592	31,983.21	33,854.14	106
Triest and Territory. . .	3,129	1,708.01	83.15	5
Goritz and Gradiska. . .	75,399	40,932.64	—	—
Istria	60,490	33,019.26	6,000 —	18
Dalmatia	104,716	57,160.59	—	—
Bohemia	2,290,587	1,250,319.56	353,182.39	28
Moravia	801,178	437,437.56	50,000 —	11
Silesia	196,526	107,330.86	—	—
Galicia	2,505,012	1,367,429.84	162,177 —	12
Bukovina	227,906	124,405.45	8,000 —	6
Total . . .	. . .	6,000,000 —	959,786.05	—

These amounts for livestock insurance must be considered rather high in proportion to the total amount assigned for the encouragement of agriculture when we remember that in the Estimates for 1913 altogether 29,000,000 crs. were assigned for the purpose, especially when we consider that the amount of 29,000,000 crs. must be reckoned rather small as the agricultural population (13,836,074 on December 31st., 1900) is 48.4 % of the entire population of Austria.

With this financial support livestock insurance in Austria has developed with extreme rapidity in recent years: the institutes already existing

have made considerable progress and in a certain number of provinces new ones have been founded. On page 33 of the above report of the I. R. Minister of Agriculture, the hope perhaps somewhat too optimistic, is even expressed, " that at the end of the period fixed for the Law of December 30th., 1909, for the contribution of the State to the above fund, every district of the nation will possess its own institutes for livestock insurance ".

§ 2. Public insurance of livestock in Lower Austria, Carinthia, Moravia, Upper Austria and the Tyrol.

It is impossible to give a complete account of Austrian livestock insurance, because, among the annual reports and returns at our disposal, published in the most various languages, there is no statistical return nor any exact account of the provincial insurance institutes.

We shall here chiefly follow the above mentioned report of the Provincial Administration of Lower Austria, which in the first place deals at length with the livestock insurance institutes of Lower Austria, Carinthia, Moravia, Upper Austria and Tyrol and then with the institutes that have arisen in other provinces, partly in consequence of the fund assigned for the encouragement of livestock rearing and improvement.

Table II reproduced from the above report gives information in regard to the present situation of the five insurance institutes above mentioned. Table III gives a very instructive view of the financial position of the provincial livestock institutes of Lower Austria, Carinthia, Moravia, Upper Austria and Tyrol.

TABLE II. — *Situation of the Provincial Livestock Insurance Institutes of Lower Austria, Carinthia, Moravia, Upper Austria and Tyrol.*

Provincial Livestock Insurance Institute of	Year of Foundation	Working Year	Business Situation			Total Numbers of Head of Horned Cattle according to Census of 31-12-1912	Percentage of Horned Cattle Insured	Provincial Horse Insurance Institute Existing	
			Members	Horned Cattle	Amount			from	Horses Insured
			Numbers	Head	crs.				
Lower Austria . .	1898	1911/12	46,424	146,601	53,733,590				
		1912/13	46,859	152,081	58,928,710	609,509	24.95	1900	57,108
Carinthia.	1899	1912	6,274	26,557	8,800,050	222,381	11.95	—	—
		1913	7,711	30,278	10,879,220	—	—	1912	2,255
Moravia (1) . . .	1900	1912	32,173	85,947	33,879,260	801,178	10.73	1912	11,762
Upper Austria . .	1902	1912	5,150	14,740	4,841,045	552,877	2.67	1906	7,315
Tyrol	1907	1912	16,215	73,321	29,166,690	412,667	17.76	—	—

(1) In the case of the Provincial Institute of Moravia it must be observed that at first most of the animals insured (horned cattle and horses) were insured with the institute, while only a few were insured in local societies, which, in their turn, entered into arrangements with the Provincial Institute with the object of reducing their risks. In 1902, 23,312 head of livestock were insured directly and only 1,458 with the local associations. Gradually more local associations were founded and the animals formerly directly insured were entered in their books. Still in 1907, 56,779 head of livestock were insured directly and 19,639 with the local associations. Already in 1910 the proportion was inverted, since for 19,210 head directly insured, as many as 58,419 were insured in local societies. On June 30th., 1911, all the policy holders were registered with the local associations. The institute consists of a German and a Czech division, administered separately. Since 1911 there has existed a provincial league for the insurance of the horned cattle of large landowners, and another for the insurance of store cattle. Each of them has two divisions and they are registered with the Provincial Institute like the local associations.

TABLE III — *Financial Situation of the Provincial Livestock Insurance Institutes of Lower Austria, Carinthia, Moravia, Upper Austria and Tyrol.*

Provincial nstitute	Working Year	Number of Head of Horned Cattle Insured	Financial Situation (crs) of the Institutes		Financial Situation (crs) of the Local Associations		Ordinary Premium for not less than 40 Head	Average Supplementary Premium to Meet Deficit in the Local Associations	Total Premium	Amount of Subvention from the Government Treasury			Observations
			Credits	Debits	Credits	Debits	Percentage of Assured Value			crs.	Per Head Insured crs.	Percentage of Assured Value	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Lower Austtia	1912/13	152,081	507,000	—	170,419	94,472	1.10	0.17	1.27	100,000	0.65	0.169	Special Premium Rates for Horned Cattle of more than 600 crs. value.
Carinthia . .	1911/12	26,557	24,894	—	17,866	14,405	1 — / 1.25 / 1.50 — 3 classes of Risks. Registration of the Local Associations through the Provincial Administration	0.18	1.43	12,000	0.45	0.137	Facilitations for Members who undertake not to withdraw for a period or from 5 to 10 years. Special premium rates for Horned Cattle of more than 600 crs. value.
Moravia . . .	1912	85,947	—	98,650	74,237	96,226	1.35 and an Entrance Fee of 0.2% of the Value Assured	0.30	1.65	50,000	0.58	0.148	For all Immediate Insurance, with addition of 2.50 % of the value assured for working expenses. Special premium rates for horned cattle of more than 800 crs. value.
Upper Austria	1911/12	14,740	41,475	—	12,520	12,411	1.30	(1) —	1.30	30,000	2.04	0.619	The value of one head of horned cattle insured must not exceed 600 crs. in any case.
Tyrol	1911/12	73,325	—	37,943	—	(2) 117,960	1 —	0.46	1.46	50,000	0.68	0.127	

(1) The deficit is entirely covered by the association's funds. — (2) Since the annual report does not show the total amounts of expenditure and of revenue of the individual local institutes, the difference between the income and the expenditure is shown as deficit.

These figures make clearly evident the defect common to all the Austrian livestock insurance societies, namely that they have fixed their ordinary premiums too low to cover the claims even of an ordinary year. The losses compel them to ask for supplementary premiums of no small amount (see column 9) and cause a reduction of their capital, and in some cases even the capital consists exclusively of debts to the Provinces.

The supplementary premiums are a source of serious discontent, since the owners of the livestock do not know their amount at the start, and are induced to leave the institute to insure elsewhere on more favourable terms. The losses are brought over from one year to another.

They, therefore, must increase in a period that may be foreseen to be brief to such an amount as to necessitate the adoption of a vigorous reform and a radical improvement of the various institutes. Already in 1910 the Lower Austria Insurance Institute, on account of its debts, had to be reformed; successfully as the following table shows:

TABLE IV. — *Financial Situation of the Lower Austria Provincial Livestock Insurance Institute, before and after its Reform.*

Date	Reserve Fund		Funds of the Associations of				Number of Associations	
			Small Livestock Farmers (1)		Large Livestock Farmers (1)			
	Credit	Debit	Credit	Debit	Credit	Debit	Credit	Debit
	—	—	—	—	—	—	—	—
	crs.	crs.	crs.	crs.	crs.	crs.	crs.	crs.
Before the Reform of the Rules:								
September 30th., 1908 . .	114,592	—	56,421	165,153	—	20,840	357	563
September 30th., 1909 . .	—	67,839	47,093	223,151	—	39,483	326	594
March 31st., 1910	—	124,726	23,733	251,040	—	55,064	270	630
After the Reform								
September 30th., 1910 . .	39,315	—	63,242	119,781	—	25,581	420	483
September 30th., 1911 . .	302,086	—	104,827	109,716	—	100,801	533	351
September 30th., 1912 . .	379,464	—	135,178	94,547	1,548	18,524	594	315
September 30th., 1913 . .	507,081	—	170,419	94,472	1,255	19,585	565	326

(1) It must be remembered in this connection that the Lower Austria Livestock Insurance Institute, on account of the difference in the risks, insures the livestock of small and large stock farmers separately, presenting thus a contrast, for example, with that of Moravia, in which the horned cattle of the large farmers are insured on equal terms, as in the ordinary local associations.

It appears from the reports that a reform and an amendment of the rules has been proposed in the case of the Tyrol institute.

In any case a reform will be of the utmost benefit for the livestock insurance societies, the more so as the subventions out of the Government fund for the encouragement of livestock improvement will presumably cease with the year 1918.

In Table V we give statistics of losses and the results of the working year for the several provincial institutes.

The statistics of the working expenses of these institutes are given in Table VI.

TABLE V. — *Losses and Claims Paid by the Provincial Insurance Institute of Lower Austria, Carinthia, Moravia, Upper Austria and Tyrol.*

Provincial Institute of	Working Year	Horned Cattle Insured	Losses					Percentage of Losses Among the Horned Cattle Insured		Average Value per Head		Average Amount Paid per Loss					Proceeds of Sale of Carcase as Percentage of Value Assured	Compensation as Percentage of Average Value per Head of Horned Cattle		Percentage of Amount Assured Reinsured by Local Unions
			Compulsory Slaughter		Death		Total					Proceeds from Sale of Carcase		Amount Paid in Money		Total		Compensation Paid	Assured	
			Head	%	Head	%	Head	In the Working Year	Since the Institute has existed	Compensated	Assured	%	Crs.	%	Crs.					
Lower Austria . .	1912–13	152,081	3,308	81.36	758	18.64	4,066	2.67	2.45	408.92	387.48	128.41	40.48	188.82	59.52	317.23	31.40	78	82	40
Carinthia	1911–12	26,557	512	65.73	267	34.27	779	2.93	(1) 2.90	325.06	331.36	94.70	36 78	162.67	63.22	257.37	29.13	79	78	50
Moravia	1912	85,947	2,259	88.52	293	11.48	2,552	2.97	3.04	413.20	394.65	162.51	46.46	187.21	53.54	349.72	39.33	85	89	50
Upper Austria . .	1911–12	14,740	425	89.10	52	10.90	477	3.24	3.17	327.92	328.43	103.04	39.92	155.47	60.08	258.51	31.42	79	79	50
Tyrol.	1911–12	73,321	1,179	59.40	806	40.60	1,985	2.71	2.57	365.49	397.79	73.17	25.03	219.20	74.97	293.37	20.02	80	74	50

(1) Average for the last 7 years.

TABLE VI. — *Total Working Expenses of the Provincial Insurance Institutes of Lower Austria, Carinthia, Moravia, Upper Austria and the Tyrol.*

Provincial Institute	Working Year	Number of Head of Horned Cattle Insured	Expenditure in Crowns per Animal Insured				
			Expenses for Verification of Loss		Special (Local) Working Expenses	General (Central) Working and Other Expenses	Total
			of the Officers of the Association	of the Veterinary Surgeons			
Lower Austria	1912–13	152,081	0.05	0.22	0.51	0.96	1.74
Carinthia	1911–12	26,557	0.10	0.20	0.59	0.75	(1) 1.64
Moravia	1912	85,947	0.10	0.49	0.48	(2) 1.61	2.68
Upper Austria	1911–12	14.740	0.17	0.24	0.48	1.58	2.47
Tyrol	1911–12	73.321	—	—	0.38	0.43	0.81

(1) In 1912-1913, 1.71 crs. — (2) It is reckoned that of the total working expenses of the whole Institute, indicated in the Annual Report as, in round numbers, 185,000 crs., 65,000 crs. were spent in connection with the horse insurance division, insuring 11,762 horses, and 120,000 crs. in connection with that for horned cattle insurance, insuring 85,947 head ; account was also taken of the other expenses indicated in connection with the horned cattle insurance division.

We see from this table that the working expenses of the provincial livestock insurance institute are comparatively very small.

This greater economy in the working expenses is a consequence of the organization benig based on as great a decentralisation as possible. While the other institutes conduct, according to the information and reports received from the local associations, the whole work of management, in the Tyrol it is instead the officers of the local associations who perform most of it.

While, for example, in the other four institutes the claims were paid on the basis of the proposals of the management of the local associations, the Tyrol Institute had alone the right to verify losses in the case of claims already paid and eventually to refuse to pay its share of the amount reinsured when the rules had not been conformed to. A really extraordinary economy has been realised in the working expenses, as the intervention of the federal officers and veterinary surgeons for the verification of the losses is not necessary. (1)

On the other hand, the other provincial insurance institutes pay their experts commission (in Lower Austria 10 % of the premium) and give them allowances in the case of their investigation of losses and they also give the veterinary surgeons allowances for their intervention and the preparation of the reports of losses.

§ 3. Livestock insurance in other provinces.

Vorarlberg has the oldest provincial livestock association in Austria the *Viehversicherungs-Verein des Landes Vorarlberg* (Vorarlberg Livestock Insurance Association), of Feldkirch, Limited.

This institution, founded in 1887, had on October 31st., 1913, 3,019 members who had 156 horses (roughly speaking 5 % of the entire number of horses in the country, which was 3,243) and 9,768 head of horned cattle, 16 % of the entire number in Voralberg, which was 58,592. The value of the animals insured was declared at 74,315 crs. for the horses and 4,475,170 crs. for the horned cattle; the total amount of the annual premiums was 74,484 crs., the amount of the claims paid 96,163 crs. and the capital of the association at the end of the working year 1912-1913 was 15,344 crs.

On page 10 of the Report of the Provincial Administration of Lower Austria brief mention was made of the Reinsurance " Federation of the Czech Livestock Associations of the Province of Bohemia " (*Zapstovaci svaz ceskych spolku pro vzajemné pojistovani vobijka v Kralovstvi Ceskem*). At the end of the working year 1912, 118 associations adhered to this reinsurance Federation with 15,992 members owning horned cattle of a value of

(1) The cashiers of the Tyrol associations receive small allowances in money for their work.

19,494,102 crs. According to the 4th. Annual Report of 1913, the number of the associations adhering had increased to 420, the number of the members to 20,790 and that of the animals to 76,480, insured for an amount of 27,223,176 crs. The average value per animal insured had increased from 304 crs. in 1910 to 356 crs. in 1913.

Of course also the number of losses giving rise to claims had also very largely increased.

Year	Number of Losses	Percentage of Losses	Total Claims Paid	Proceeds from Sale of Carcases		Direct Compensation
				Crs.	Percentage of Claims Paid	
1910	18	0.52	6,959.50	3,434.00	49.34	3,525.30
1911	527	1.74	185,949.30	83,261.54	44.80	102,587.76
1912	1,717	2.95	541,355.00	272,101.98	50.26	269,253.02
1913	1,803	2.36	606,212.00	324,464.54	53.47	282,247.46

The increased losses partly due to epidemic thrush and osteomalacia, caused a correspondingly rapid increase in the amount of compensation paid directly by the Federation so that the amount of the premiums collected, together with the proceeds from sale of the carcases, far from sufficed to cover the losses. Already in 1912, in order to maintain an equilibrium, there had to be placed at the disposal of this association alone an amount of 172,532 crs. out of the portion of the fund for the encouragement of livestock improvement set aside for livestock insurance. (In the somewhat more satisfactory year 1913 the State subvention was 118,471 crs.).

At the same time the supplementary contributions asked for by the associations had increased to such an extent that they seemed to imperil the very existence of the associations themselves, for this reason the Reinsurance Federation decided to grant free loans up to an amount corresponding with that of their annual premiums to those associations excessively burdened with debt and to charge the Federation with the cost for the services of the veterinary surgeons up to an amount of 20 % of the annual premiums.

So the history of the Reinsurance Federation up to the present again shows the inadequacy of the premiums and the necessity of as large subventions as possible being granted for livestock insurance out of the public funds.

We have already spoken at length in this Bulletin of the Office for Insurance and Equalisation of Risks (*Versicherungs- und Prämienausgleich-*

stelle) founded in 1913 in the German section of the Agricultural Provincial Council (*Landeskulturrat*) for the Kingdom of Bohemia (1).

In 1913 was also founded the " Provincial Reinsurance Institute for the Local Horned Cattle Insurance Institutes of the Kingdom of Galicia, (*Landesrückversicherungs-Anstalt für die Rindviehversicherungs- Lokatvereine im Königreiche Galizien*). It was modelled on the Provincial Livestock Insurance Institute for Tyrol, but it makes complete provision for reinsurance.

Membership is open to all associations in Galicia that have been organized in accordance with the model rules and submit to the supervision and conform to the regulations of the Institute. On their constitution the associations receive a sum, of an amount not definitely stated in the Rules, for the purpose of paying the cost of their organisation.

Compensation is given to the amount of 70 % per head of horned cattle in case of death by accident or compulsory slaughter when the proceeds from the sale of the carcase are less than 30 % of the estimated value and 80 % in case of compulsory slaughter when they exceed 30 %.

The premium paid by the members is 1 % ; an equivalent contribution must be placed at the disposal of the associations out of the public funds (in the first place out of the fund for livestock improvement already frequently mentioned) (2).

The associations must pay the Institute as reinsurance premiums a tenth of the premiums collected by them. The Institute in its turn is bound to provide for all those expenses the association is not in a positon to meet out of the amount of the premiums it retains, including a contribution for working expenses of 0.25 % of the assured value, and half its reserve fund.

The association pays into its reserve fund :

The balance for the working year, the entrance fees amounting to 0.5 % of the value assured, collected on the insurance of each new animal, as well as eventual allowances out of Government funds.

If an association has to ask assistance in two successive years out of the funds of the Reinsurance Institute, the latter may ask a higher premium in the future.

If the reinsurance premium collected from the associations, together with half the reserve fund, made up of the balance for the working year and the contributions from the public funds, do not suffice to cover the losses the Insurance Institute has to bear, all the associations may be called on to pay supplementary insurance premiums.

The funds of the Reinsurance Institute are made up of the reinsurance premiums paid by the adherent associations, interest on the reserve fund and eventual subventions from the Provincial Administration, and, up to the

(1) See the number of this Bulletin for December, 1913, Kallbrunner, *Work of the German Section of the Landeskulturrat of the Kingdom of Bohemia in the Department of Livestock Insurance.*

(2) In accordance with a provision of later date the grant of these contributions is limited to those associations founded before July 1st., 1914.

year 1918, of amounts granted out of the Fund for encouragement of the rearing and improvement of livestock.

In addition, the Provincial Administration charges itself with all the working expenses and two thirds of the compensation to experts for half yearly inspections and the verification of losses.

The Provincial Livestock Insurance Institute for Goritz and Gradiska (1) (*Landes Viehversicherungs-Anstalt für Görz und Gradiska*), founded on January 1st., 1908, collected in 1912-1913, 85,767.15 crs. in provisional premiums and 15,353.78 crs. in supplementary premiums and paid 136,227.09 crs. in claims. The deficit of 47,804.80 crs., brought forward from the previous year, increased to 56,228.71 crs. An advance of 42,476.48 crs. was made to the institute out of the funds of the Provincial Administration.

It is to be noted that up to September 30th., 1910 the territory in which the above Institute works was divided into three regions, and the federations of the separate districts united for reinsurance. The intention was in this way to combine similar conditions and perhaps similar risks. The regions were styled, according to their geographical position, plain, intermediate and mountain regions. It is not clear why this division was abandoned and all the federations (in 1913 there were 112) united in a single reinsurance federation.

In Salzburg, in the beginning of October, 1913 the constitution of a mutual horned cattle insurance association was decided upon, but the idea of a provincial livestock insurance institute was rejected for the moment.

In Silesia, in the session of the Diet of February 16th., 1912, it was decided to found a provincial livestock insurance institute and the rules for it were approved in June, 1914. It is now about to begin work. Although in all the Provinces the system of premiums fixed at too low a figure has proved unsatisfactory, the premiums were here fixed at 1 %.

In Styria, the obstruction of the Slovenes in the Diet has prevented the passing of a bill for the institution of a provincial livestock insurance institute.

In the Provinces of Croatia and Dalmatia no definite attempts have been as yet made for the foundation of a Provincial Livestock Insurance Institute : and the funds assigned by the State for the purpose have been employed for other objects.

(1) Report of the work of the Provincial Mutual Horned Cattle Insurance Institute for the period October 1st., 1912.-September 30th., 1912. Goritz, 1914.

Part III: Credit

SPAIN.

AGRICULTURAL CREDIT AND THE FEDERATIONS OF PÓSITOS.

SOURCES:

REAL DECRETO DE 16 DE OCTUBRE DE 1914, RECONOCIENDO A LOS PÓSITOS EXISTENTES Y A LOS QUE EN LO SUCESIVO PUEDAN CREARSE EL DERECHO DE FORMAR FEDERACIONES PROVINCIALES, CON OBJECTO DE UNIFICAR E INTENSIFICAR SU ACCIÓN EN ORDEN AL EJERCICIO DEL CRÉDITO AGRÍCOLA Y EN BENEFICIO DE LOS AGRICULTORES (*Royal Decree of October 16th., 1914, recognising the Right of the Pósitos already existing and those to be formed in the Future to constitute Provincial Federations, with a view to Uniting and Intensifying their Action in regard to the Grant of Agricultural Credit and in behalf of the Farmers*). Published in the *Gaceta de Madrid*, No. of October 17th., 1914.

§ 1. INTRODUCTION.

When, on a former occasion, we examined the work of the Spanish Agricultural Credit Institutions in this Bulletin (1), we spoke at length of the *pósitos*, long established institutions peculiar to the peninsula, which, at first founded for purely charitable purposes, came to be, at the time of their full development, powerful rural credit institutions and among the most effectual auxiliaries of the small Spanish farmers.

After having shown the deplorable circumstances in which these establishments now find themselves, owing to various reasons due to their organization and administration, the principal provisions of the law of January 23rd., 1906 which aimed at reorganizing them by adapting them to modern conditions, the work of the Royal Delegation instituted by the above law, and its effects between 1910 and 1912, we pointed out the different tendencies existing in regard to the definite organization of the *pó-*

(1) See the Number of this Bulletin for June, 1914, pp. 73-80.

sitos in relation to the experience and the exigencies of modern times. And, already on that occasion, we dwelt especially on the tendency in favour of mobilising the uninvested funds of the *pósitos*. The promulgation of a Royal Decree of the Fomento Department now offers us an opportunity of returning to the subject. Before examining the provisions of this Decree, it will be well to give some account of the fluctuations in the capital of the *pósitos*.

The Royal Delegation of the *Pósitos* created by the law of 1909 above mentioned to enquire into the assets and landed property of these establishments, to collect the money due to them and to realise their securities, has made it possible for us to form an idea of their situation and the fluctuations in their capital. Thus, we see from the report of the Delegation for the year 1912, that the total capital of the *pósitos* increased in that year by 95,280,291 pesetas, from which we must deduct 53,474,939 pesetas for old debts, difficult to collect. The real capital in 1912 was therefore 41,805,352 pesetas. Now, in the same year, the loans granted amounted to 21,626,705 pesetas. The amount of the capital of the *pósitos*, therefore, exceeded that of the loans, and the balance remained uninvested (1).

The Senator Señor Gullón, for many years Royal Delegate, recently expressed himself as follows in the Senate, in regard to the matter of agricultural credit :

" Every year, about 22,000,000 pesetas are distributed among 120,000 farmers, through the medium of 3,250 establishments, of which, generally, those that work best and satisfy the largest number of requirements are those that have the smallest amount of capital, some putting their capital in circulation two or even three times a year. However, there are other *pósitos* that do not show the same activity in the accomplishment of their beneficent work, and do not exhibit the necessary zeal either in the settlement of acknowledged debts, or in the utilisation of their capital for serviceable loans; and we may thus say that, in certain years, from 5,000,000 *to* 10,000,000 *pesetas*, which might satisfy so many needs, *remain undistributed.*"

In fact, since the promulgation of the law of 1906 it has been possible to return to the safes of the *pósitos* large amounts of money which it was thought could not be collected ; new establishments of the kind have been created ; subventions have been granted to those in need of them, as far as was possible, and, in fact, it has been attempted to disseminate them all over Spain as channels of agricultural credit (2). This active work has revealed the existence in one and the same region of *pósitos*, which,

(1) It is necessary, however, to observe that the difference is not 20,000,000 pesetas, as the above figures seem to show, for from the capital of the *pósitos* we must deduct not only debts difficult to collect, as we have said, but also the amounts in the hands of the debtors, and representing the value of land belonging to the establishments. Indeed, the difference between the loans made and the *available* capital is not more than 8,000,000 pesetas or 10,000,000 pesetas, as will be shown hereafter.

(2) See the *Bulletin* above cited.

while they have considerable capital available, leave it unemployed as it is not applied for, and others which have invested all their funds and find their business arrested for want of money.

§ 2. The royal decree of october 16th., 1914.

Desiring to encourage and in every way to promote agricultural credit, the Minister of Fomento, Señor Ugarte, has attempted to improve the situation, availing himself of the latest teachings of economy and sociology. Thus he has conceived the idea of associating the *pósitos*, and uniting their resources, in fact of federating them, so as through these centres of rural credit to satisfy the requirements of the farmers by transferring the excess uninvested or immobilised funds of a *pósito*, which has too much money, to another which is in want of it.

It is by these principles the Royal Decree of October 16th., 1914 is inspired.

Let us now examine its principal provisions.

First of all, the decree in question recognised the right of the *pósitos* existing and of those to be founded in the future to form provincial federations, for the unification and intensification of their action in regard to the grant of agricultural credit and in behalf of the farmers of the various localities in which the *pósitos* constituting the Federations are established.

According to the spirit of the Decree, such federation must be the voluntary work of the *pósitos* themselves. So its provisions only deal with the legal rules and juridical forms for the creation of the Federation.

1. *The Constitution of the Federations.* — The *pósitos* belonging to a provincial section, desirous of enjoying the rights and privileges thereof shall inform the *Jefatura* of the section to that effect, accompanying their application with a note explaining their situation and clearly indicating the particulars of their invested capital.

To reach the object aimed at by the Federation, the funds of the *pósitos* lying idle in current accounts or deposited in the branches of the Banco deEspaña must be realised. This operation, as well as the transfer of the funds it renders possible, will imply no change in the ownership of the capital which will always belong to the *pósito* from which it is derived. It is, simply, in fact, a matter of authorizing the *pósito*, the funds of which remain idle for want of applications for the grant of which it might be utilised, to lend the neighbouring *pósito* these funds, which will thus be more productive and extend the economic and financial activity of the Federation over a larger area. As, further, these loans bring in interest, the *pósito* will profit without loss of its capital, while the money will thus become fluid and circulate.

Add to this, that, in the end, for the *pósito* lending its uninvested capital, it is in reality only a matter of a change of debtor ; instead of the small

landowner, the humble farmer or metayer, it is the *pósito* of the neighbourhood that must give security of solvency and becomes liable, to a far greater extent, as the loan is granted by the *pósitos* possessing the money.

The deed of constitution of each federation shall include :

(*a*) Copy of the documents indicated and express ratification on the part of the members;

(*b*) Statement of the objects the federation proposes to attain- by the establishment of the basis of solidarity between the federated members, by means of the loans the *pósitos* with available funds make out of their surplus uninvested capital to those in a different position, so as to give the capital productive fluidity by putting it in circulation and thus extending the advantages of the institution in regard to the grant of rural credit ;

(*c*) and to the effect that if in the region or province the *pósitos* of which have formed a federation there are no agricultural syndicates or chambers, occupied with the purchase of selected seeds, manure, agricultural implements and utensils, and machinery of every kind, the purchase of these articles may be included among the objects of the Federation;

(*d*) authorization to admit into the Federation *pósitos* which shall hereafter apply for admission.

2. *Loans and Conditions for Loans.* — The operations of the Federation may be conducted at the request of the parties or on its own initiative.

The first system is followed when a federated *pósito* applies to the Federation, officially represented by the provincial section, for the grant of a loan. The section shall forward the application to the administrative commissions of the neighbouring *pósitos* belonging to the federation possessing surplus or uninvested capital for their examination; they shall proceed to examine the application and shall report within a term of ten days. Once the application is accepted by the provincial section, if the majority of the reports are in favour of the grant of the loan, immediately the transfer of funds is made and the money and the resulting liabilities are distributed, at the charge and at the risk of the *pósito* borrowing. If the majority of the reports are not favourable, the application is refused.

The Federation proceeds on its own initiative when the provincial section and the members representing the federated *pósitos* consider the moment arrived for putting in circulation all or part of the uninvested capital. In this case, the Federation may grant loans out of its uninvested capital to syndicates, agricultural chambers, loan and savings banks, co-operative societies for production and other similar organizations, provided always that they are constituted in accordance with the laws regulating the working of these corporations or associations, and that, when applying for loans, they give the Federation proof of their solvency. For the purpose, it will be enough for them to be registered with the *Banco de España* and intend to use the money for purposes of agricultural credit.

The loans shall be granted for one year, and may be renewed for another year ; however, they may be cancelled if the guarantee ceases to be suf-

ficient or is not renewed, or if the loan is used for purposes other than those for which it was requested.

The interest on the loans shall be 4 % a year and payable at the end of each half year; and if the loan is repaid before the expiration of the term, at the convenience of the association owing, the interest shall at least correspond with the term of the loan and shall in no case be less than that for one month. The 4 % interest shall be distributed as follows: 3 % to the *pósito* lending and 1 % to the Federation as its legitimate remuneration.

3. *General Provisions.* — In conformity with the instructions repeated on several occasions by the Royal Delegation, the administrative commissions of the *pósitos* have deposited, in the branches of the *Banco de España* and in name of the administrative corporation, those amounts which, owing to no applications being made, could not be brought into circulation during the year. If, at the date of the general settlement of accounts, each year, it is found that an amount of more than 15 % of the capital of a *pósito* remains uninvested, and has not been deposited in due time in the branch of the *Banco de España*, the administrators shall pay an amount corresponding with 4 % interest on the immobilised capital, out of their own private funds.

The provincial sections of the *pósitos* shall every three months make out a report in relation to the money deposited in the branch of the *Banco de España* and publish it in the *Boletín Oficial* of the province for the information of the federated *pósitos* that may be in need of funds for distribution under the form of loans among the peasants of the district in which they have their head quarters.

By the Decree in question the federated *pósitos* will have the preference over those not federated when grant is made of subventions or when increases of capital are conceded.

Finally, the Decree establishes that, the federal organisation of the *pósitos* once in operation, in accordance with the results obtained, the Royal Delegation shall propose the measures necessary for the endowment of the institutions with capital of their own, and thus establish regional agricultural credit institutes. This provision, evidently, is of great importance.

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Thus then, all the provisions mentioned, and above all the last, clearly show the position taken by the Government in respect to the organisation of rural credit on the basis of suitably modernised *pósitos*. Doubtless the last word has still to be said on this difficult subject; the Decree itself indicates this, in its preliminary exposition of the motives by which it is inspired, where it says that the above measures are adopted "in anticipation of the arrival of the moment for submitting for the decision of Parliament those measures which of their nature require its approval", but there is no doubt that the Decree we are considering clearly traces the course the Gov-

ernment has marked out for reaching a solution of the problem of agricultural credit.

The provisions of the Decree need no comment. They show us that the Royal Delegation preserves its office of inspection and protection of the federations now being organized, although this duty is limited to seeing that the law is observed, so as to constitute a sort of supreme guarantee of all interests.

In addition to their economic business, the Federations of *pósitos* may also exert an important action, as educators of the Spanish rural classes, exhibiting practically, by their example, the advantages of co-operation and collective effort. In addition, if, within the limits of the *Banco de España*, which is the centre of the Spanish financial system, it has been possible to assist the agricultural syndicates, this establishment evidently could not refuse its support to the *pósitos* and still less to the organizations representing the Federation, seeing that they can offer it more extensive guarantees and assume an ampler liability. In this way rural credit will be more effectually encouraged.

RUSSIA.

WORK OF THE NOBLES' GOVERNMENT LAND BANK IN 1913.

The Nobles' Government Land Bank, with the origin and development of which we dealt in detail in the number of this Bulletin for September, 1914, has just published its annual report for the working year 1913.

It appears from this publication that in that year the Bank did quite an unusual amount of mortgage business. This business, which had been considerably reduced in consequence of the economic and political crisis Russia passed through in the early years of this century, recommenced most actively from the moment, when, after the Empire had been restored to tranquillity, there began the extraordinary development of land business of every kind due to the great land reform initiated in 1906 by the late Minister, P. A. Stolypin.

§ 1. Mortgage business.

The total number of mortgage loans granted by the Nobles' Bank which, at the most critical moment of the depression of which we have spoken, that is to say in 1907, had diminished to 280, gradually rose again, in turn to 518 in 1908, 786 in 1909, 1,248 in 1910, 1,355 in 1911, and at last to 1,486 in 1912.

The number of loans granted by the Bank for the year 1913, namely 1,425, shows indeed a slight decrease on that for 1913. But it is really only apparent; in fact, the slightly reduced number of transactions is amply compensated for by the considerable increase in the total amount of the loans. Indeed, this amount reached in 1913 the enormous sum of 146,082,000 roubles (in round numbers 390,000,000 frs.), that is to say it exceeded the corresponding sum for 1912 by 36,767,900 roubles, and the highest yet reached by the Bank since its fundation, 120,460,000 roubles in 1898, by nearly 26,000,000.

The following table will show the general progress of the mortgage business of the Bank in recent years more in detail :

TABLE I. — *Mortgage Business of the Nobles' Bank from* 1908 *to* 1913 (*in roubles*).

Years	Number of Loans	Deciatines of Land Mortgaged	Estimated Value of the Land Mortgaged		Amount of Loans Granted	
			Total	per Deciatine	Total	per Deciatine
1908	518	523,522	53,256,507	100	31,657,900	60
1909	786	825,325	85,105,288	103	49,701,600	60
1910	1,248	1,083,179	140,359 488	138	87,125,400	80
1911	1,355	1,101,685	152,166,685	138	88,842,600	81
1912	1,486	1,195,873	190,358,777	159	109,314,100	92
1913	1,425	1,536,636	253,726,195	165	146,082,000	95

As is seen from the table, the number of loans granted was smaller in 1913 than in 1912, but the area of the land mortgaged was on the contrary considerably greater. The considerable amount of the loans granted by the Bank is due, as we see, to the continuous and progressive increase in the average amount granted per deciatine mortgaged, which, in its turn, is a consequence of the average estimated value per deciatine. The rapid and regular rise of this latter average is incontestably the best evidence of the remarkable increase in the value of land in Russia, and consequently of the general increase in the well-being and economic prosperity of the immense Empire of the Czars.

Of the 1,425 loans granted by the Nobles' Bank in 1913, 477 for a total amount of 41,849,400 roubles were made on first mortgage of 480,418 deciatines. The other 948 loans of an amount of 104,232,600 roubles were granted on renewals of mortgages or on supplementary mortgages on 1,056,218 deciatines already mortgaged to the Bank.

The number of loans granted on mortgage based on the total value of the land, estimated in accordance with the average value of the land in the region, was only 75 in 1913 and represented a total amount of 1,431,500 roubles. All the other mortgages, or 95 % of the total number, were based on the special detailed valuation of the land in question. The amount of loans of this class was 99 % of the total amount granted in the year.

Apart from the special loans granted up to the amount of 75 % of the value of the land mortgaged to Russian landed gentry for the purchase of estates in the Polish provinces of the West, with which we shall deal hereafter, during the whole year 1913 no loans were granted for more than 60 % of the value of the land, except in 13 cases for a total amount of 2,181,700 roubles, representing 74.5 % of the value of the land mortgaged

(2,915,385 roubles) ; 99 % of all the loans granted by the Bank were made for the longest periods allowed by its rules (61 years 8 months and 66 years 6 months, according to the rate of interest) ; the renewals of mortgages were all for the maximum period allowed (66 years 6 months).

The total amount applied for by the 1,425 persons whose applications for loans were granted in 1913 was 173,174,667 roubles ; in 658 cases the Bank was able to grant the whole amount applied for (59,810,700 roubles), in the 767 others it only granted 76 % of what was asked for (113,363,97 roubles requested ; 81,271,300 roubles granted).

The average area of the landed estates mortgaged to the Bank on January 1st., 1913 was 514 deciatines ; that of those newly mortgaged in the year was 1,007 deciatines. Most of the latter, or 58.1 %, belonged to the class of medium sized farms (from 100 to 1,000 deciatines of cultivated land), 23 % of them to small farms (with less than 100 deciatines cultivated), the rest, finally, or 18.9 % were large farms with more than 1,000 deciatines under cultivation. Of the *total area* of the landed estates mortgaged in 1913, 77.9 % belonged to large estates, 20.9 % to medium sized holdings and 1.2 % to small holdings. Ten of the landed estates mortgaged were more than 10,000 deciatines in area ; the largest of them, in the province of Kiev, had a total area of more than 45,000 deciatines.

In 1913 renewals of mortgages were granted in the case of 984 landed estates of a total area of 1,056,218 deciatines and a total estimated value of 180,558,733 roubles. The total amount of loans granted in this way was 104,232,600 roubles, of which 59,365,100 roubles corresponded with the value of the original loans and the rest, 48,099,400 roubles, were additional loans granted at date of the renewal. The large amount of supplementary loans thus granted, generally only five years after the original loans, is explained by the considerable difference between the average estimated values of the holdings at the dates of the first and second valuation (94 roubles per deciatine at date of the valuation for the first mortgage and 173 roubles per deciatine at date of that made for the supplementary mortgage), and this difference, in its turn, is explained by the agricultural improvements introduced on the farms and the increase in the value of the latter owing to the construction of new railway lines in their vicinity, or on other analogous grounds.

In the whole year there were only 4 loans granted on terms of favour (that is to say, for an amount equal to 75 % of the value of the land mortgaged) for the purchase by Russian landed gentry of holdings in the west and southwest of the Polish provinces. The total area of the land thus acquired was 18,414 deciatines, its total estimated value was 1,380,457 roubles and the amount of the loans granted was 1,025,600 roubles. Since the commencement, in 1894, of operations of this kind, the Bank has in this way facilitated the transfer to Russian owners of altogether 219 landed estates previously Polish, of an area of 533,024 deciatines and a total estimated value of 32,216,921 roubles.

§ 2. Land business.

Of the total amount of 146,082,000 roubles lent by the Nobles' Bank in 1913, only 64,105,000 roubles were paid to the borrowers in the form at Bank bonds. The rest took the form of renewals of debts to the Bank for an amount of 56,133,200 roubles and amounts retained for the extinction of foreign or other mortgages, amounting altogether to 25,843,800 roubles.

The amount of the instalments towards extinction of their debts voluntarily paid by the borrowers to the Bank in 1913 was 12,586,055 roubles. These payments have completely liberated from mortgage debt 2,944 holdings of a total area of 313,393 deciatines, 148,323 deciatines remaining in the hands of owners belonging to the hereditary nobility and 165,070 deciatines having been transferred to owners not belonging to the nobility, whilst still mortgaged to the Nobles' Bank.

In the course of 1913, the total number of holdings mortgaged to the Nobles' Bank that had changed owners was 3,135. These holdings had a total area of 804,516 deciatines and were mortgaged for a total amount of 48,656,900 roubles, the mortgages being also transferred to the new owners. We give below a classification of the latter according to their social position :

Table II. — *Sale of Land Mortgaged to the Nobles' Bank in* 1913.

Sold to:	Number of Holdings	Area in Deciatines	Amount of Mortgages Transferred
Hereditary Nobles . .	739	406,123	21,788,600
Institutions	68	20,676	1,209,600
Peasants	1,983	248,219	15,904,600
Members of the Lower Middle Classes . . .	82	15,747	1,123,800
Merchants	60	31,248	2,731,600
Other Classes	203	82,503	5,898,700
Total . . .	3,135	804,516	48,656,900

During the last six years the transfer to new owners of land mortgaged to the Bank assumed the following proportions:

TABLE III. — *Sale of Land Mortgaged to the Nobles' Bank, from 1908 to 1913.*

Sold to:	Thousands of Deciatines					
	1908	1909	1910	1911	1912	1913
Hereditary Nobles	338	323	457	460	508	406
Institutions	388	80	41	41	22	21
Peasants	341	371	434	380	275	248
Members of the Lower Middle Classes	16	19	21	28	20	16
Merchants	28	23	33	43	48	31
Other Classes of People . . .	48	73	99	135	114	83
Total . . .	1,199	899	1,085	1,094	487	805

The considerable amount of land that passed into the hands of Institutions in 1908 (338,000 deciatines) is explained by the fact that in that year the number and area of the holdings bought by the Peasants' Bank with its own funds to be sold on favourable terms to small farmers who had no land was especially large.

On January 1st., 1913, the total amount of arrears due to the Bank from borrowers was 17,811,976 roubles. In the year beginning on that date, the Bank should have received 41,036,778 roubles in mortgage payments, with 627,293 roubles special mortgage payments, or altogether 41,664,071 roubles. Really, it only received altogether 39,937,672 roubles, so that at the end of the year the arrears due had increased to 19,617,530 roubles. In these figures there is not included an amount of 7,208,990 roubles for annual payments due on mortgages transferred to the Peasants' Bank, and it is to be understood paid over in full by the latter institution to the Nobles' Bank.

In addition to the total amount of mortgages in course (791,824,253.77 roubles), with arrears (amounting to 19,617,530.49 roubles), on December 31st., 1913, there were also due to the Bank 143,931.74 roubles in debts not paying interest, 1,411,246.31 roubles in "special" debts and, finally, 711,380.15 roubles in mortgages the term for payment of which had been extended. The debts not paying interest and the special debts were reduced during the year by the repayment of a total amount of 394,063.63 roubles. As a result of the law of April 26th., 1906, the Peasants' Bank further owed the Nobles' Bank a total amount of 161,408,054.32 roubles (instead of 157,587,959.61 roubles, as at the beginning of the year).

The total number of mortgaged landed estates, the sale of which at public auction was ordered in 1913, on account of a delay of more than a year in the payment of the legal charges, was 5,452 or about 10 % of all those mortgaged to the Bank. This proportion is almost the same as in former years and, also just as in former years, it is in the Caucasus the

largest number of auction sales were ordered (for 35 % of the landed estates mortgaged in that region).

In 5,419 cases out of the 5,452 of which we have spoken, the sale was stopped, either by payments being made at the last moment, or by an extension of term or other facilities being granted by the Bank to the debtors in arrear. Only 33 landed estates were actually put up for auction, of which 28 were sold, and the remaining 5 remained in the possession of the Bank.

The total number of landed estates of which the Bank had possession was thus increased to 154, of which 122 were situated in the Caucasus. It managed to sell fourteen of them in the course of the year 1913, so that at the end of the year it had still 140 in its possession of a total area of 46,461 deciatines, 116 of them with an area of 28,298 deciatines, situated in the Caucasus.

§ 3. The bank funds.

At the beginning of the year 1913 the Bank had the following funds:

1. A fund formed by various issues of *lettres de gage* of a total nominal value of 823,770,400 roubles ;

2. A fund of 74,942,097.72 roubles in bonds to be drawn for of the 1889 issue not yet redeemed ;

3. A reserve fund of 16,658,145.65 roubles.

In the course of the year new bonds for the amount of 89.948,800 roubles were issued (89,947,900 roubles in 4 ½ % bonds and 900 roubles in 5 % bonds). A total amount of 19,836,100 roubles had been repaid. At the end of the year the bonds of the Bank represented in all a total amount of 893,883,100 roubles, distributed as follows :

	roubles
3 ½ % bonds	392.350,500
4 % »	151,096,600
4 ½ % »	154,600,600
5 % »	154,105,400
5 % » to be drawn for	41,730,000
Total . . .	893,883,100

During the year there was no change in the amount of the bonds of the 1889 issue, to be drawn for (74,942,097.72 roubles).

The reserve fund was reduced in 1913 by an amount of 10,000,000 roubles set aside, in accordance with the Imperial Decree of February 21st. of that year, to constitute a special fund in remembrance of the three hundredth anniversary of the establishment of the Romanoff dynasty on the Russian throne ; the annual interest on this amount is to be used to

increase the foundation capital of the Nobles' provincial mutual banks and other institutions of the same character, the object of which is to facilitate the mortgage business of the hereditary nobility. As a result of this measure and the years' business transactions, the reserve fund of the Bank was reduced on December 31st., 1913, to 9,388,379 roubles.

In addition to its capital, the Nobles' Government Bank possessed, at the end of 1913, real estate of a total value of 1,271,700 roubles, various securities for an amount of 9,458,916.28 roubles, and, finally, the special commemorative fund of 10,000,000 roubles above mentioned.

Altogether, in the year 1913, the Nobles' Government Land Bank has laboured hard in the pursuit of the special end for which it was founded, that, namely, of encouraging as far as possible the mortgage business of that class which is still today more than any other in Russia representative of the intelligent and rational evolution of agricultural economy. Powerfully seconded in its efforts by the Government, it will even be able considerably to enlarge its sphere of activity by means of the quite new field which will be opened to it by means of the fund formed in commemoration of the three hundredth anniversary of the foundation of the Romanoff dynasty. And from the preceding figures we see that, while constituting the most precious financial support of the class to which it exclusively devotes its attention, the Nobles' Bank is no less one of the most important influences for the progress of home colonisation and of the landed estates of the classes not belonging to the nobility, owing to the important part it plays as intermediary in the transfer to these classes of thousands of landed estates previously belonging to the nobles.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CREDIT.

SWITZERLAND.

WEBER-SCHURTER (J.), Director of the Swiss Land Credit Institute of Zurich: Die schweizerischen Hypothekenbanken (*Swiss Mortgage Banks*). Published, on the occasion of the Swiss National Exhibition held at Bern, in 1914, by the Commission of the Section "Banks". Zurich, 1914. Orell Fussli. 126 pages with numerous tables and graphs.

When the National Exhibition was held at Bern, in 1914, there was published, in addition to two monographs relating to Swiss cantonal and local and intermediate banks, a valuable study of Swiss mortgage banks, written by one of the highest authorities upon the subject in Switzerland.

Switzerland possesses, at the present day, no less than twenty mortgage banks, in the strict sense of the term, with a nominal capital of 194,000,000 francs of which 188,250,000 are paid up. In addition, the cantonal banks, savings banks, and many banks of mixed type also transact a certain amount of mortgage business of various kinds. Thus, the mortgage investments of the cantonal banks amounted, in 1912, to 1,330,000,000 francs and represented 49 per cent. of the total assets. The study referred to above, deals only with mortgage banks, properly so called, and does not, therefore, show the whole of the mortgage transactions of the country.

However, the volume is not a mere description of the regulations and working of Swiss mortgage banks. The author, on the basis of the results of a *questionnaire* sent by him to banking institutes, savings-banks, insurance companies, cantonal departments of finance, towns and communes, has attempted also to ascertain the total mortgage indebtedness of the country. Only a part of the results obtained from the *questionnaire* could be regarded as satisfactory. Nevertheless, the author considers himself justified in estimating the mortgage debt of Switzerland at 6,000,000,000 francs. Of this amount, 2,500,000,000 francs, or 42 per cent., is rural or agricultural mortgage; while the remainder consists of town mortgages, industrial mortgages, etc. He calculates the average annual demand for mortgage credit, from 1896 to 1912, at 190,000,000 francs. He is able to

give precise information relating to mortgages amounting to 4,634,000,000 francs, of which amount 4,251,000,000 francs was national mortgage and 383,000,000 francs (being 8 per cent.) was foreign mortgage. The mortgage banks proper were the principal lenders, having contributed 1,558,000,000 francs or 33 per cent. of the total of 4,634 million. The mortgage business of these banks amounted to only 809.86 million francs in 1903; to 581.29 million in 1896; and to 338.76 million in 1883. Unfortunately it was not found possible to establish the distribution of the loans made by the mortgage banks between rural, urban and industrial property. One only of the twenty banks was able to furnish the necessary information. The author is of opinion that, speaking generally, the mortgage banks prefer to deal in urban land credit, while the cantonal banks supply the demand for rural and agricultural credit.

Following this important general study of mortgage indebtedness and land credit the author describes in detail the organisation, activity and technical administration of the mortgage banks. The third section consists of a brief outline of the development of the banks and a statement of their present position, the author presenting, in the text and as appendices, a large number of tables and graphs.

The last part of the study is devoted to a critical examination of the whole Swiss mortgage banking system. The author deals, in particular, with the proposal to establish a State mortgage bank, and arrives at the conclusion that the work which, it is intended, would devolve upon a State bank, could be performed more simply and economically, as well as more thoroughly, by a private central mortgage institute.

Part IV: Miscellaneous

AUSTRIA.

CONTEMPORARY AGRICULTURAL POLICY IN AUSTRIA.

CHAPTER III.

LAND OPERATIONS, ACCORDING TO STATE AND PROVINCIAL LAW.

§ 1. General remarks.

The economic proceedings which afterwards received the name of "Land Operations" were sanctioned by three Imperial Laws of June 3rd., 1883. Boll. L. I. Nos. 92-94. We must, however, here at once observe that these three laws only laid down general lines for subsequent provincial legislation (for which reason these laws are called, in accordance with Austrian constitutional law, *Rahmengesetze*) ; they came into force, consequently, only after the approval of the corresponding provincial laws in Lower Austria, Carinthia, Carniola, Salzburg, Moravia, Silesia, and Galicia. After 1908, bills were presented in the Diets of Styria, Tyrol, Upper Austria, Goritz and Gradiska, and bills of the same tenor were drafted for Bukowina, Vorarlberg and Istria. Of the innovations introduced into the more recent provincial laws in regard to farm readjustment, division and systemisation, constituting a real advance on the laws previously in force, due account was taken also in the earlier provincial supplementary laws ("Novellen"), so that the provincial laws now in force on land operations and the above mentioned bills contain provisions substantially the same ; and in this connection the provincial legislation went even beyond the maximum limits laid down in the Imperial laws (Rahmengesetze) with which all the legislative work under consideration originated. Only in Galicia are the old laws still in force ; an independent bill was drafted

for Dalmatia in connection with the old provincial laws of that country, dealing with the distribution of communal landed estates, the regulation of the working of communal holdings and the division and systemisation of holdings of collective ownership.

The following operations may be conducted in accordance with the provisions of this law :

1. The readjustment of farms ;

2. The division of land of collective ownership and the systemisation of the customary and administrative rights inherent in it. The division may be general when made :

(*a*) between the authorities on the one hand and communes or persons formerly subject to them on the other ;

(*b*) between communes or between fractions of communes ;

(*c*) between communes or fractions of communes on the one hand and a community on the other and, finally ;

(*d*) between agricultural communities.

The division may also be particular, that is to say there may be a subdivision and distribution among the individuals of their shares of a holding of collective ownership, when such collective ownership is the result of a general division :

(*a*) between members of an agricultural community, among the persons formerly subject ;

(*b*) between those having rights to the temporary possession of land to be worked by them in turn.

3. The separation from forest holdings of portions forming enclaves in the holdings of other persons and the rounding off of the forest holdings.

There are special "land authorities" to act as the executive bodies above all for purposes of land readjustment, division and systemisation, according as the problems to be solved are of legal, technical or economic character.

The court of first instance consists of Local Commissioners entrusted with the preparation and execution of the individual operations. Each of these officers, who are for the most part selected from among the Government servants engaged in political administrative work, is assisted by a technical office in which there are a certain number of land surveyors, whilst the experts necessary for the separate operations, experts in forestry, land reclamation etc., are engaged as the occasion demands.

In all difficulties of economic character arising in connection with land readjustment, the Local Commissioner is assisted by a "Committee of the parties concerned".

The authority in the second instance is called the Provincial Commission and meets at the office of the Provincial Government ; the authority in the last instance is the Departmental Commission for Land Operations at the Department of Agriculture ; both these latter Commissions are composed of civil servants belonging to the administrative and judicial departments. The Provincial Executive Committee is also represented in the Provincial Commission. For the decision of questions of

a technical nature the Commissions retain permanent legal advisers; in case it is necessary, the Commissions may also consult experts.

The character of the Provincial and Departmental Commissions is the same even in respect to all that concerns operations undertaken for the abolition of enclaves in forests and the rounding off of forest holdings.

Every kind of land operation enjoys extensive fiscal facilitations; above all the alterations necessitated by readjustment and division of farms are made in the cadastre as a matter of course and without charge.

The costs of agricultural operations, and in the first place those for readjustment, division and systemisation of farms, as far as the Provincial and Departmental Commissions and the legal and technical services of the staff directing the operations are concerned, are borne by the Treasury. All other costs, above all for the work of the surveyors, the offices, subsidiary work involved in undertakings carried out in the country, the plant required for collective use etc., are borne by the parties concerned. But in the interest of the regular course of the work itself, to a large extent the State advances the money to meet this expenditure, and only after the termination of the work do the parties concerned repay it.

§ 2. Farm readjustment.

The basis on which the readjustment is carried out is that all the farms to be subjected to readjustment are considered as a single mass, to be subdivided among the owners with a view to the greater yield of the various holdings, every proprietor receiving a new piece of land corresponding in value to that previously possessed by him. The former condition of ownership disappears altogether and has no influence in the new distribution.

Thus a landholder who before the readjustment had his land subdivided, for example, into ten parcels, after the readjustment will possess a single piece (or two, according to circumstances).

The fundamental idea from which the 1883 law on readjustment of farms starts is the subordination of the interest of the individual to that of the majority interested, with the object of obtaining a more economic and reasonable distribution of rural land (1). The Austrian law lays it down that when the majority, that is to say the half of the landholders of a commune possessing at least two thirds of the existing farms, decides to proceed to the readjustment of farms, the others concerned cannot make opposition and the operation asked for by the majority

(1) A statistical return of 1880 reported 24,574 communes as shown in the cadastre in Austria (exclusive of Galicia): only in 3,284 of these, that is in 13.4 % were there holdings consisting of one piece of land; in 1,782 communes, that is in 7 %, this class of holding predominates; but in almost 20,000, that is in 4/5 ths. of the total, the majority of the holdings are broken up and scattered with all the baneful consequences resulting from such a state of things. Since 1880 the conditions have remained almost unvaried.

must be carried out. It is only fair that the will of the majority should suffice; in view of the influence of tradition on the peasants, who do not readily decide to abandon the systems to which they are accustomed, it would be impossible to arrive at any practical result if unanimity among the land holders were necessary before readjustment could be proceeded with.

When the majority has declared itself favourable, according to the forms we shall explain below, the State intervenes to carry out the work.

The reasonable distribution of an area of land in such a way that the rights of all are safeguarded is a work so replete with difficulties of a technical, geometrical, economic and legal character, that success could not be expected without the State intervening, establishing the plan of the operations and getting it carried out by expert and competent officers. Only when the most complete impartiality and full respect for the rights of all are guaranteed, can the minority be compelled to accept a measure it does not desire. Let us add that the public interest is also involved, as the readjustment must in no way damage the interests of agriculture, forestry etc.

As above said, before the readjustment can be carried out, it must be desired by a majority of the landowners; there is, however, one case, in which it may be undertaken even independently of the will of those affected, that is when a provincial law orders the readjustment of a given area for the facilitation of works of irrigation or drainage in a part of the provincial territory.

Readjustment is carried out as follows. All the rural holdings within the area to be readjusted, which is generally a commune as shown in the cadastre, are affected, with the exclusion, at the desire of the proprietor, of land possessing a special value, which cannot be substituted by other land (for example gardens, orchards, vineyards); other land may be excluded as a matter of course, when it would suffer serious loss if subdivided or presents special difficulties on account of the mortgages on it.

In order that the readjustment may be carried out, the majority of those concerned must request it. According to the most recent legislation, for the initiation of the work, it is enough that demand be made by one third of those concerned, provided, however, these enjoy a third of the net revenue, as shown in the cadastre, of the parcels to be readjusted. This manifestation of their desire is called *Provokation*, and takes the form of an application, that may be presented by the proprietors to the political authorities, a local commissioner, a notary or an advocate, for the readjustment to be initiated. The application is forwarded to the competent authority, which, as above said, is a special court of three grades. The authority of the first instance is the "Local Commissioner for Land Operations", who is the immediate executive authority; that of the second instance is the "Provincial Commission for Land Operations", that of the third instance, the decision of which is final, is the "Departmental Commission for Operations".

These are competent to deal with all disputes arising out of the readjustment operations, independently of the judicial authority.

After approval has been duly given, the Local Commissioner begins the preparatory work, consisting in the classification and valuation of the holdings, the establishment of the principles to be followed in the readjustment and the drafting of the plan. In all these operations the parties interested intervene, as above said, by means of a committee they elect from their own number, whch acts as an advisory body for the Local Commissioner. The parties concerned may present appeal at each stage of the various proceedings. The parties interested in the effects of the readjustment are the landowners and usufructuaries and no one else (for example not those who have servitudes, tenants etc.). After the plan has been submitted to the majority of those concerned and again approved, it is forwarded to the Provincial Commission, which may reject it or amend it. If approved, the proceedings enter on a new stage: that of execution (distribution of the new holdings, regulation of the servitudes and mortgages, correction of the land book in accordance with the new conditions).

The work of readjustment, implying the solution of manifold economic, technical and legal problems, is very complicated and expensive. The cost varies with the area to be readjusted and is partly borne by the private individuals but chiefly by the State : all the deeds, documents etc. are exempt from stamp and other taxes.

The cost depends above all on the area to be readjusted. According to experience up to the present, the cost of readjustment under average conditions, that is to say conditions neither good nor bad, is per hectare :

For an area of	200 has.	. . . . .	26 crs.
,, ,,	400 ,,	. . . . .	23 ,,
,, ,,	700 ,,	. . . . .	20 ,,
,, ,,	1,000 ,,	. . . . .	16 ,,
,, ,,	1,500 ,,	. . . . .	13 ,,
,, ,,	2,000 ,,	. . . . .	11 ,,
,, ,,	3,000 ,,	. . . . .	10 ,,

If the work is carried out under good conditions, the cost is 20 % less, if under bad conditions, 20 % more. The expenses of the parties concerned per ha. under average conditions are :

For an area of	200 has.	. . . . .	6.00 crs.
,, ,,	400 ,,	. . . . .	6.00 ,,
,, ,,	700 ,,	. . . . .	4.00 ,,
,, ,,	1,000 ,,	. . . . .	4.00 ,,
,, ,,	1,500 ,,	. . . . .	4.00 ,,
,, ,,	2,000 ,,	. . . . .	3.00 ,,
,, ,,	3,000 ,,	. . . . .	3.00 ,,

Wherever readjustment has been carried out, the results have been excellent, increasing the yield of the land, and reducing the cost of production etc.

In regard to forests it is to be observed that the portions of forest occurring within the area to be readjusted are considered as agricultural land. According to the most recent laws in some provinces (Upper Austria, Lower Austria, Salzburg, Carniola, Carinthia and Moravia) forests may be included in the scheme of readjustment or even independently readjusted, if this is required in the interest of the national economy and at least one half of the proprietors make application for it (1).

§ 3. Readjustment of land held collectively.

The readjustment of land of collective ownership includes both its division and its systemisation. The object is in the first place to make the legal situation clear, first of all by separating the land that belongs to the commune or fraction of commune from the land of collective ownership (general division), and secondly by the distribution of the remaining portion of the collectively owned land among the individual proprietors concerned (individual division), or leaving this portion the character of an asset to be used for a definite purpose to be enjoyed and administered in the regular course by those who have the right (systemisation). The general division, therefore, always involves either individual division or systemisation ; however, it is well to keep in mind that the communes have not a right in every case to share in the land collectively held, and so the individual division and the systemisation are not always preceded by a general division.

The legal situation being made clear, first of all it must be settled whether the collective land is to pass into the hands of private individuals or, after due systemisation, to be worked collectively; the first alternative is advisable in many cases, when the land is pasture land, above all when land of private ownership is to be added to it or when readjustment is to be carried out at the same time, the second above all in the case of forests, meadows situated in valleys and especially Alpine meadows. It is clear, however, that in particular cases both operations must and can be effected in such a way that a part of the collective land is divided and a part is systemised and retains the form of collective property.

So much in regard to the idea of the readjustment of collective land in its general lines.

The provisions governing the whole action are found, as has been said, in the Imperial Law (Rahmengesetz) of June 7th., 1883. Boll. L. I. No. 94, which was followed by many provincial laws.

(1) For details of a technical character see: Paul Hein: *Die Kommassation* (Zusammenlegung der Grundstücke) *und die sonstigen agrarischen Operationen.* Vienna, 1912. — *Geschäftliche nnd technische Instruction für die Durchführung agrarischen Operationen.* Vienna. Hof- und Staatsdruckerei.

It is not our intention to enter more at length into the details of these provisions, as our object in these brief remarks is more than anything else to explain the statistics we publish below, which constitute the principal aim and object of this article. For particulars we refer our reader to W. Schiff's book on "*Österreichs Agrarpolitik seit der Grundentlastung*", Tübingen, Laupp, 1898, pp. 245-295, which, however, does not contain the most recent provincial laws, amongst which we may mention the provincial law for Tyrol of June 19th., 1909, Boll. L. and Ord. No. 16, on the division of holdings of collective ownership and the systemisation of customary and administrative rights involved.

In regard to the Imperial law of 1883 and the older provincial laws, let us remember that they failed because they confined themselves to prescribing that the systemisation must only be carried out on the application of a certain number, generally a very large number, of the collective holders instead of making it compulsory. The law further neglected to determine generally the various legal relations in regard to communal land, to the readjustment of disorganized communities etc.

However, in recent years the Government has been very active, while formerly it hesitated to sanction the provincial laws when voted.

Although not even the new provincial laws order the general compulsory systemisation of agricultural communities, making this subject to the favourable vote of a portion (generally one fourth) of the members of the community, in other respects they constitute a real progress.

At present great stress is laid, in cases of division and readjustment, on the provision of all the labour and plant required for the use of the community and the simplification of the procedure required by the laws in force in case of systemisations or divisions of minor importance. But even greater importance is given to the fact that the mountain pastures and forests are systemised also for economic purposes by means of provisions for the protection and improvement of the soil, means of access to pasture-land etc. Further, principles of civil law have been laid down with regard to the agricultural communities, although some objection may be made to the form they have taken. At present in this field the provisions of the Civil Code in regard to collective landed property have to be applied, and we cannot here speak of civil personality for lack of the fundamental bond necessary for it. But the provisions of the Civil Code are not adapted to the relations in question because they do not take into consideration that the rights to the shares must correspond with the economic requirements of the special agricultural holding. The new laws attempt to take account of this matter and give the legal relation of the individual to the object of collective possession the character of a *jus in rem scriptum*, usually inseparable from the dominant holding. This legal bond, which gives the rights of use to the dominant holding is based on ancient custom. Notwithstanding it cannot be unhesitatingly accepted as long as there is no agricultural holding forming an indivisible whole and the rights of use are not limited to the requirements of the dominant holding. Under the present system of the divisibility of landed property the legal grant of rights of

use to the owner of a landed estate may have quite absurd consequences. It would be much better for landed estates of collective ownership to be constituted as incorporated bodies and establish the principle of the indivisibility of the collective holding, in a similar manner to that of the communal holding.

The new regulations provide for the protection of the agricultural communities, while up to the present the agricultural authorities had abandoned them entirely to themselves as soon as the systemisation had been effected. Henceforward, however, the authorities will have to see to the carrying out of the plans of systemisation, the maintenance of the permanent works of collective use, and the exercise of a wise economy; they may even oblige the collective owners to undertake the necessary improvements, to remedy defects etc. The new provisions forbid sale (but not division) of mountain pastures, meadows and forests of collective ownership, as well as the encumbering of them, without the consent of the competent authorities.

§ 4. The elimination of enclaves belonging to forest holdings and the rounding off of such holdings.

The above action is rendered necessary by the fact that often in a forest region even otherwise presenting an appearance of a well rounded off whole, there are meadows, fields etc. forming little enclares belonging to owners other than those of the land by which they are surrounded.

This condition of things so injurious to the regular conduct of forestry business is an inheritance from the days in which wood was of little value and the forest was not regarded as utilisable economically, but rather as a game preserve ; besides it was considered almost always as the property of the community. With the alteration of the economic conditions, many of the enclaves were got rid of by means of purchase or transfer: mutual agreement remained even under the recent agricultural legislation the only means for getting rid of this inconvenience due to the improper division of the soil. For the promotion of the work, the Austrian laws make no compulsory provision but only provide certain facilities. This is indeed natural, and according to the principle of economic liberty that began to prevail about 1860; the land had to be systemised by free agreement of the parties concerned, the law not having to do anything more than remove eventual obstacles. The Imperial law No. 93 of 1883 grants special facilities for transfers of this kind approved by the authorities; they have force, however, only in those provinces in which " land operations " regulations have been introduced, for only there are the necessary authorities to be found.

Contracts for transfer of land for purposes of rural or forestry economy, concluded with the approval of the Provincial or Departmental Commission for Land Operations, with the object of getting rid of parcels of land, in wooded districts, altogether or partly enclosed in land of other

ownership, are exempted by the above law from stamp and other taxes, and there is also exemption in these cases from any tax on the transfer of the land, the rights and duties involved in the ownership of it registered in the cadastre, and the absence of consent on the part of those enjoying the rights or subject to the obligations to the transfer and the alteration consequently made in the cadastre may be made up for by the approval of the Provincial or Departmental Commission.

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Having now dealt at sufficient length with the principles inspiring the Austrian law in regard to "land operations", grouped in three distinct classes, and the principal provisions of the earlier and most recent legislation, of the former that is in so far as the latter is a consequence of it and based on it, let us now show the results obtained by the authorities up to the end of 1913 in the direction of the three principal operations: *readjustment*, *division* and *systemisation*.

§ 5. Operations carried out up to the end of 1913.

In 1913 land operations were carried ont in Lower Austria, Moravia, Carniola, Salzburg, Silesia, Galicia, Tyrol, Styria, and Upper Austria.

In Lower Austria, Moravia and Galicia, they were chiefly readjustments of land; in the other provinces they were divisions and systemisations, the latter almost everywhere in connection with the improvement of pastures and Alpine meadows.

The staff available for the legal and technical service of the first instance in the above provinces consisted of 28 local commissioners with 7 assistant local commissioners, and, in 26 technical offices, 26 technical managers and 1 assistant inspector, and also 100 agricultural engineers and 51 assistant engineers.

The total number of operations initiated up to the end of 1913 was:

253	readjustments	affecting	179,641	ha.	and	28,830	individuals
2,800	divisions	,,	161,656	,,	,,	46,347	,,
1,026	systemisations	,,	293,738	,,	,,	50,545	,,
Total 4,079	operations	affecting	653,035	ha.	and	125,722	individuals

Of these, before 1913 there were already formally completed:

68	readjustments	affecting	48,700	ha.	and	6,336	individuals
1,525	divisions	,,	88,717	,,	,,	28,598	,,
243	systemisations	,,	17,122	,,	,,	7,036	,,
Total 1,834	operations	affecting	154,539	ha.	and	41,970	individuals

In 1913 there were formally completed:

10	readjustments	affecting	4,414	ha. and	735	individuals
47	divisions	,,	6,201	,, ,,	1,759	,,
12	systemisations	,,	1,427	,, ,,	354	,,
Total. . 69	operations	affecting . .	12,042	ha. and	2,848	individuals

Besides this, there were actually carried out:

122	readjustments	affecting	94,120	ha. and	16,903	individuals
384	divisions	,,	29,917	,, ,,	6,141	,,
71	systemisations	,,	17,394	,, ,,	4,677	,,
Total 577	operations	affecting . .	141,431	ha. and	27,721	individuals

There were in course of execution :

53	readjustments	affecting	32,407	ha. and	4,856	individuals
846	divisions	,,	36,821	,, ,,	9,849	,,
700	systemisations	,,	257,795	,, ,,	38,478	,,
Total 1,599	operations	affecting . .	327,023	ha. and	53,183	individuals

The increase in the number of operations commenced as compared with 1912 was :

12	readjustments
107	divisions and systemisations
Total 119	operations affecting . . 56,977 ha. and 15,464 individuals

At the end of 1913 there had further been received :

38	applications for readjustment
384	,, ,, division
401	,, ,, systemisation
Total 803	applications for operations.

With regard to the situation of the works in the different provinces we can give the following information :

1. *Lower Austria.*

At the end of 1913 there had been formally completed and actually carried out :

72	readjustments	affecting	77,511	ha.	and	7,769	individuals
257	divisions	,,	13,288	,,	,,	6,644	,,
112	systemisations	,,	10,053	,,	,,	19,675	,,
Total 441	operations affecting. . .		100,857	ha.	and	19,088	individuals

There were in course of execution :

16	readjustments	affecting	18,140	ha.	and	1,544	individuals
35	divisions	,,	1,930	,,	,,	600	,,
62	systemisations	,,	299	,,	,,	247	,,
Total 62	operations affecting. . .		20,369	ha.	and	2,931	individuals

In addition, there had been received at the end of the year.

3	applications for readjustment
5	,, ,, division
12	,, ,, systemisation
Total 20	applications for operations.

2. *Moravia.*

At the end of 1913 there had been formally completed and actually carried out :

104	readjustments	affecting	57,960	ha.	and	11,731	individuals
172	divisions	,,	1,133	,,	,,	1,757	,,
2	systemisations	,,	473	,,	,,	328	,,
Total 281	operations affecting. . .		59,566	ha.	and	13,816	individuals

There were in course of execution :

20	readjustments	affecting	10,876	ha.	and	2,550	individuals
509	divisions	,,	1,383	,,	,,	1,805	,,
8	systemisations	,,	764	,,	,,	577	,,
Total 537	operations affecting . .		13.023	ha.	and	4,932	individuals

In addition to this, there had been received at the end of the year :

12	applications	for readjustment.
46	,,	,, division.
8	,,	,, systemisation.
Total 66	applications	for operations.

3. *Carinthia.*

At the end of 1913 there had been formally completed and actually carried out :

4	readjustments	affecting	964	ha.	and	186	individuals
568	divisions	,,	39,351	,,	,,	8,455	,,
162	systemisations	,,	15,972	,,	,,	3,218	,,
Total 734	operations	affecting. . .	56,287	ha.	and	11,849	individuals

There were in course of execution :

3	readjustments	affecting	288	ha.	and	121	individuals
45	divisions	,,	7,655	,,	,,	992	,,
118	systemisations	,,	28,334	,,	,,	3,702	,,
Total 166	operations	affecting. . .	36,277	,,	,,	4,816	individuals

In addition, there had been received at the end of the year :

34	applications	for division
45	,,	,, systemisation
Total 79	,,	,, operations.

4. *Carniola.*

At the end of 1913 there had been formally completed and actually carried out :

2	readjustments	affecting	132	ha.	and	151	individuals
734	divisions	,,	59,675	,,	,,	16,877	,,
5	systemisations	,,	2,228	,,	,,	403	,,
Total 741	operations	affecting. . .	62,035	ha.	and	17,431	individuals

There were in course of execution :

157	divisions	affecting	17,210	ha.	and	4,543	individuals
62	systemisations	,,	17,308	,,	,,	4,530	,,
Total 219	operations	affecting. . .	34,518	ha.	and	9,073	individuals

Besides this, at the end of the year there had been received:

5	applications for readjustment
214	„ „ division
68	„ „ systemisation
287	Total applications for operations.

5. *Silesia.*

At the end of 1913 there had been formally completed and actually carried out:

3	readjustments	affecting	986	ha	and	142	individuals
205	divisions	„	10,470	„	„	2,447	„
5	systemisations	„	322	„	„	232	„
213	Total operations	affecting . .	11,778	ha.	and	2,821	individuals

There were in course of execution:

1	readjustment	affecting	95	ha.	and	41	individuals
26	divisions	„	3,238	„	„	395	„
1	systemisations	„	50	„	„	126	„
28	Total operations	affecting . .	3,383	ha.	and	562	individuals

Besides this, by the end of the year there had been received:

1	application for readjustment
7	applications for division
1	application for systemisation
9	Total applications for operations.

6. *Galicia.*

At the end of 1913 there were formally completed and actually carried out:

71	readjustments	affecting	9,125	ha.	and	3,922	individuals
6	divisions	„	584	„	„	220	„
1	systemisations	„	123	„	„	3	individuals
14	Total operations	affecting . .	9,832	ha.	and	4,145	„

There were in course of execution:

1	readjustment	affecting	1,025	ha.	and	250	individuals
19	divisions	„	1,215	„	„	419	„
23	systemisations	„	4,685	„	„	6,004	„
43	Total operations	affecting . .	6,925	ha.	and	6,673	individuals

In addition to this there had been received at the end of the year :

9	applications for	readjustment
9	,,	,, division
33	,,	,, systemisation
Total 51	applications for operations.	

7. Salzburg.

At the end of 1913 there had been formally completed and actually carried out :

5	readjustments	affecting	267	ha.	and	27	individuals
20	systemisations	,,	4,015	,,	,,	317	,,
Total 25	operations affecting . .		4,282	ha.	and	344	individuals

There were in course of execution :

4	readjustments	affecting	272	ha.	and	36	individuals
2	divisions	,,	216	,,	,,	27	,,
90	systemisations	,,	25,555	,,	,,	1,969	,,
Total 96	operations affecting		26,043	ha.	and	2,032	individuals

Besides this, there had been received at the end of the year :

1	application for	readjustment
3	applications ,,	division
6	,,	,, systemisation
Total 10	applications for operations.	

8. Tyrol.

At the end of 1913 there had been formally completed and actually carried out :

1	readjustment	affecting	12	ha	and	3	individuals
3	divisions	,,	59	,,	,,	14	,,
11	systemisations	,,	2,601	,,	,,	2,822	,,
Total 15	operations affecting . .		2,672	ha	and	2,839	individuals

There were in course of execution :

2	readjustments	affecting	401	ha.	and	94	individuals
8	divisions	,,	1,724	,,	,,	224	,,
308	systemisations	,,	162,029	,,	,,	19,406	,,
Total 318	operations affecting . .		164,154	ha.	and	19,724	individuals

Besides this there had been received at the end of the year:

15	applications for division	
198	„ „ systemisation	
Total 213	applications for operations.	

9. *Styria.*

At the end of 1913 there had been formally completed and actually carried out:

1	readjustment	affecting	43	ha.	and	9	individuals
9	divisions	„	275	„	„	94	„
4	systemisations	„	141	„	„	26	„
Total 14	operations	affecting . .	459	ha.	and	129	individuals

There were in course of execution:

3	readjustments	affecting	667	ha.	and	105	individuals
45	divisions	„	2,250	„	„	843	„
76	systemisations	„	18,420	„	„	1,628	„
Total 124	operations	affecting . .	21,337	ha.	and	2,576	individuals

Besides this, there had been received at the end of the year:

6	applications for readjustment
51	„ „ division
26	„ „ systemisation
Total 86	applications for operations.

10. *Upper Austria.*

At the end of 1913 there had been formally completed and actually carried out:

1	readjustment	affecting	234	ha.	and	34	individuals
1	systemisation	„	16	„	„	44	„
Total 2	operations	affecting . .	250	ha.	and	78	individuals

There were in course of execution:

3	readjustments	affecting	643	ha.	and	115	individuals
3	systemisations	„	357	„	„	289	„
Total 6	operations	affecting . .	994	ha.	and	404	individuals

Besides this, there had been received at the end of the year:

1	application for readjustment
4	„ „ systemisation
Total 5	applications for operations.

Agricultural Operations at the

Stage of Completion	Province	Readjustments		
		Number of Operations	Area ha.	Number of Persons Affected
Formally Completed	Moravia	8	3,329	660
	Lower Austria	1	1,063	73
	Carinthia	—	—	—
	Carniola	1	22	2
	Silesia	—	—	—
	Galicia	—	—	—
	Salzburg	—	—	—
	Tyrol	—	—	—
	Styria	—	—	—
	Upper Austria	—	—	—
	Total	10	4,414	735
Actually Carried out	Moravia	58	33,621	6,902
	Lower Austria	44	48,938	5,543
	Carinthia	4	964	186
	Carniola	1	110	149
	Silesia	3	986	142
	Galicia	7	9,125	3,922
	Salzburg	2	87	13
	Tyrol	1	12	3
	Styria	1	43	9
	Upper Austria	1	234	34
	Total	122	94,120	16,903
At an Advanced Stage	Moravia	7	2,597	810
	Lower Austria	7	6,150	632
	Carinthia	1	105	63
	Carniola	—	—	—
	Silesia	1	95	41
	Galicia	—	—	—
	Salzburg	1	14	3
	Tyrol	1	137	33
	Styria	1	290	47
	Upper Austria	—	—	—
	Total	19	9,388	1,629
At the First Stage	Moravia	13	8,279	1,740
	Lower Austria	9	11,990	912
	Carinthia	2	183	58
	Carniola	—	—	—
	Silesia	—	—	—
	Galicia	1	1,025	250
	Salzburg	3	258	33
	Tyrol	1	264	61
	Styria	2	377	58
	Upper Austria	3	643	115
	Total	34	23,019	3,227

nd of 1913. — *Summary.*

Divisions			Systemisations			Total		
Number of Operations	Area ha.	Number of Persons Affected	Number of Operations	Area ha.	Number of Persons Affected	Number of Operations	Area ha.	Number of Persons Affected
2	212	660	—	—	—	10	3,541	1,320
3	570	139	2	158	62	6	1,791	274
7	1,258	160	8	774	276	15	2,032	436
35	4,161	800	1	107	8	37	4,290	810
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	1	388	8	1	383	8
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
47	6,201	1,759	12	1,427	354	69	12,042	2,848
156	532	563	—	—	—	214	34,153	7,465
7	526	222	4	874	348	55	50,338	6,113
61	10,025	1,456	30	8,441	714	95	19,430	2,356
192	16,635	3,401	2	1,704	347	105	18,449	3,897
40	1,281	171	1	10	71	44	2,277	384
6	584	220	1	123	3	14	9,832	4,145
—	—	—	17	3,484	302	19	3,571	315
3	59	14	11	2,601	2,822	15	2,672	2,839
9	275	94	4	141	26	14	459	129
—	—	—	1	16	44	2	250	78
384	29,917	6,141	71	17,394	4,677	577	141,431	27,721
112	657	588	5	363	224	124	3,617	1,622
25	1,703	471	8	227	196	40	8,080	1,299
26	6,855	642	29	7,884	984	56	14,844	1,689
93	12,019	3,184	32	8,440	2,456	125	20,459	5,640
12	236	53	—	—	—	13	331	94
4	530	196	9	1,930	1,577	13	2,460	1,773
—	—	—	49	14,124	929	50	14,138	932
3	301	30	61	39,663	3,509	65	40,101	3,572
22	716	362	23	4,722	446	46	5,728	855
—	—	—	2	170	276	2	170	276
297	23,017	5,126	218	77,523	10,597	534	109,928	17,752
307	726	1,217	3	401	353	413	9,406	3,310
10	227	129	3	72	51	22	12,289	1,092
19	800	351	89	20,450	2,718	110	21,433	3,127
64	5,191	1,359	30	8,868	2,074	94	14,059	3,433
14	3,002	342	1	50	126	15	3,052	468
15	685	223	14	2,755	4,427	30	4,465	4,900
2	216	27	41	11,431	1,040	46	11,905	1,100
5	1,423	194	247	122,366	15,897	253	124,053	16,152
23	1,534	481	53	13,698	1,182	78	15,609	1,722
—	—	—	1	181	13	4	824	128
549	13,804	4,323	482	180,272	27,871	1,065	217,095	35,431

Agricultural Operations at the

Stage of Completion	Province	Readjustments		
		Number of Operations	Area ha.	Number of Persons Affected
Total of the Operations in course of Execution	Moravia	86	47,826	10,112
	Lower Austria	61	68,141	7,160
	Carinthia	7	1,252	307
	Carniola	2	132	151
	Silesia	4	1,081	183
	Galicia	8	10,150	4,172
	Salzburg	6	359	49
	Tyrol	3	413	97
	Styria	4	710	114
	Upper Austria	4	877	149
	Total	185	130,941	22,494
Formally completed before 1913	Moravia	38	21,010	4,169
	Lower Austria	27	27,510	2,153
	Carinthia	—	—	—
	Carniola	—	—	—
	Silesia	—	—	—
	Galicia	—	—	—
	Salzburg	3	180	14
	Tyrol	—	—	—
	Styria	—	—	—
	Upper Austria	—	—	—
	Total	68	48,700	6,336
Total	Moravia	124	68,836	14,281
	Lower Austria	88	95,651	9,313
	Carinthia	7	1,252	307
	Carniola	2	132	151
	Silesia	4	1,081	183
	Galicia	8	10,150	4,172
	Salzburg	9	539	63
	Tyrol	3	413	97
	Styria	4	710	114
	Upper Austria	4	877	149
	Total	253	179,641	28,830
Applications	Moravia	12	—	—
	Lower Austria	3	—	—
	Carinthia	—	—	—
	Carniola	5	—	—
	Silesia	1	—	—
	Galicia	9	—	—
	Salzburg	1	—	—
	Tyrol	—	—	—
	Styria	6	—	—
	Upper Austria	1	—	—
	Total	38	—	—

id of 1913. — *Summary* (*Continued*).

Divisions			Systemisations			Total		
Number of Operations	Area ha.	Number of Persons Affected	Number of Operations	Area ha.	Number of Persons Affected	Number of Operations	Area ha.	Number of Persons Affected
667	2,127	3,028	8	764	577	761	50,717	13,717
45	3,026	961	17	1,331	657	123	72,498	8,778
113	18,398	2,609	156	37,549	4,692	276	57,739	7,608
294	38,006	8,744	65	19,119	4,885	361	57,257	13,780
66	4,519	556	2	60	197	72	5,660	946
25	1,799	639	24	4,808	6,007	57	16,757	10,818
2	216	27	108	29,427	2,279	116	30,002	2,355
11	1,783	238	319	164,630	22,228	333	166,826	22,563
54	2,525	937	80	18,561	1,654	138	21,796	2,705
—	—	—	4	367	333	8	1,244	482
1,277	72,939	17,749	783	276,616	43,509	2,245	480,496	83,752
14	389	534	5	473	328	57	21,872	5,031
247	12,192	6,283	106	9,020	4,265	380	48,722	12,701
500	28,068	6,829	124	6,757	2,228	624	34,825	9,057
597	38,879	12,676	2	417	48	599	39,296	12,724
165	9,189	2,276	2	312	160	169	9,501	2,436
—	—	—	—	—	—	—	—	—
—	—	—	2	143	7	5	323	21
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—
1,523	88,717	88,717	243	17,122	7,036	1,834	154,539	41,970
681	2,516	3,562	13	1,237	905	818	72,589	18,748
292	15,218	7,244	123	10,351	4,922	503	121,220	21,479
613	47,006	9,438	280	44,306	6,920	900	92,564	16,665
891	76,885	21,420	67	19,536	4,933	960	96,553	26,504
231	13,708	2,842	6	372	357	241	15,161	3,382
25	1,799	639	24	4,808	6,007	57	16,757	10,818
2	216	27	110	29,570	2,286	121	30,325	2,376
11	1,783	238	319	164,630	22,228	333	166,826	22,563
54	2,525	937	80	18,561	1,654	138	21,796	2,705
—	—	—	4	367	333	8	1,244	482
2,800	161,656	46,347	1,026	293,738	50,545	4,079	635,035	125,772
46	—	—	8	—	—	66	—	—
5	—	—	12	—	—	20	—	—
34	—	—	45	—	—	79	—	—
214	—	—	68	—	—	287	—	—
7	—	—	1	—	—	9	—	—
9	—	—	33	—	—	51	—	—
3	—	—	6	—	—	10	—	—
15	—	—	198	—	—	213	—	—
51	—	—	26	—	—	83	—	—
—	—	—	4	—	—	5	—	—
384	—	—	401	—	—	823	—	—

BELGIUM.

AGRICULTURAL LABOURERS IN BELGIUM.

OFFICIAL SOURCES :

ANNUAIRE STATISTIQUE DE LA BELGIQUE, ANNÉES 1912 et 1913 (*Belgian Statistical Yearbook*, 1912 *and* 1913). Published by the Home Office.

L'AGRICULTURE BELGE DE 1885 À 1910. Monographies publées à l'occasion du XXVe Anniversaire de l'institution du Service des Agronomes de l'Etat (*Belgian Agriculture from* 1885 *to* 1910. *Monographs published for the occasion of the* XXVth. *Anniversary of the Institution of the Government Agronomical Service*). Louvain, 1910, F. Giele.

OTHER SOURCES :

BOUCHÉ (B); Les ouvriers agricoles en Belgique (*Farm Labourers in Belgium*). Published by the Solvay Sociological Institute. Brussels, 1913, Misch and Thron.

JANSSENS DE BISTHOVEN : Quelques aspects de la question agricole (*Some Aspects of the Agricultural Problem*). Bruges, 1914. Printed by L. de Plancke.

Among the problems of agricultural economy that have excited the greatest interest in recent years, in Belgium as in almost all European countries, we find rural exodus one of the most prominent (1). And since the exodus is most observable among the farm labourers, the largest agricultural class, it seems to us desirable to show here the various systems of recruiting labourers and the various forms of contracts, the conditions of labour, the hours of work and the wages. While an examination into these matters will help to explain the phenomenon of rural exodus in the country, it will also serve to enlighten the reader in regard to some aspects of the question characteristic of Belgian farm labour.

The subject, already to some extent treated in important works on Belgian agricultural economics, such as those of Vandervelde, Vliebergh,

(1) See in this connection the article by ROBERT ULENS : " *Rural Exodus in Belgium* ", published in the Monthly Bulletin of Economic and Social Intelligence, May, 1914; and, in special relation to the causes of the exodus of farm labourers, the article : " *The Principa Questions, of Agricultural Economy Discussed at the* 10*th. Congress of Agriculture at Ghent* in the number of the same Bulletin for December, 1913.

Frost-Brussel, Mahaim, S. Rowntree etc., has been scientifically dealt with in its various aspects by M. Bouché in one of the recent "Travaux de l'Institut de Sociologie Solvay," which will be a very useful guide for us in the present study, as it contains the results of an enquiry carried out by the Author himself, with the help of numerous question lists, into the conditions, vicissitudes and requirements of the Belgian farm labourers.

§ 1. The principal classes of farm labourers.

As we have to examine the conditions and the economic and social characteristics of the Belgian farm labourers, it will be well for us first of all to know their number and the principal classes of them. The statistics we have are rather old, the latest dating from 1895. In that year, in a total agricultural population of 1,202,905 persons (18.79 % of the whole population of Belgium) there were 187,106 farm labourers (128,277 men and 58,829 women) or 14 % of the total agricultural population (1), while of 1,130,000 persons engaged in industry, 75 % were in receipt of wages.

This total number of farm labourers was distributed as follows in the various provinces; West Flanders, 39,351; East Flanders, 35,088; Brabant, 25,584; Hainaut, 22,019; Antwerp, 16,385; Liège, 14,584; Limbourg, 12,900; Namur, 12,776; Luxembourg, 8,419. Fifteen years earlier, in 1880, the agricultural population was 1,199,319 (21.77 % of the total population), amongst whom 217,195 were labourers.

Belgian farm labourers may be divided into three principal classes, which must be considered separately: day labourers, *gagistes* and *tâcherons*.

(*a*) The *day labourers:* These are labourers who undertake to work either for a fixed period or permanently for daily wages of 1 fr., 1.50 fr. or 2 frs. They are employed in all work in the fields or about the buildings that can be profitably accomplished at fixed hours without it being necessary for the labourers to reside on the farm. In fact, both the permanent and temporary labourers return to their houses in the evening and sometimes even in the day. They are usually recruited in the locality in which they are to work and generally live near the farm. But their recruiting is everywhere becoming somewhat difficult, so that to attract them and attach them to the farm the landholders and farmers usually give them or lease to them for less than the current rate, a piece of land to farm with a dwelling house, providing them also with farm produce and very often with implements of labour and draught animals. But all this is of little avail: since the tendency and the aspiration of the day labourer is always to become one day an independent cultivator. The deficiency of day labourers has therefore to be supplied by agricultural machinery and other classes of labourers.

(1) The difference, 1,015,799 was represented by the members of the farmers' families habitually employed on work in the fields.

(*b*) The *gagistes :* Under this name are included the servants employed about the buildings, generally engaged for a year or for an indefinite term, paid by the year or more often by the month at the rate of 20, 25 or 30 fr., in addition to board and lodging. They satisfy the need the farmer has of a certain staff always at his disposal, night and day.

The number of servants of this class depends in each case on the nature of the farm and the conditions of the labour market. Thus, in the region of the Dunes, the cultivation of market gardens and intensive livestock improvement causes this class of wage earners to predominate. The farmers have to have recourse to them, as above hinted, to meet the growing lack of day labourers. In contrast, however, to the latter, the *gagistes* are seldom recruited in the locality in which they are to work, but come more frequently from other localities or regions. This is due to the disinclination they feel to become servants, especially in their native village, as it implies continuous and immediate dependence on the employer, generally not easily supported and considered humiliating.

(*c*) The *tâcherons :* These are *contract labourers*, who undertake to accomplish a given work for a single fixed amount, for example, 20 fr. for mowing a hectare. In special seasons of the year, there is, in fact, urgent work to be done, simple but fatiguing, for which the ordinary labourers do not suffice and their number must be increased ; in that case their place is supplied by the *tâcherons*, or jobbing labourers, whose interest it is to perform as much work as possible in as short a time as possible and over whom the farmer has not to exercise any supervision, except in rare cases.

There are two kinds of *tâcherons*, those recruited on the spot among the day labourers, for the accomplishment of special or urgent work, such as frequently has to be done in districts of small farms, and those recruited at a greater or less distance from the farm. The latter have all the character of emigrants, in so far as their removal from the district in which they reside to that in which they have to work is of a periodical nature and the same labourers often return to work for the same masters. They sometimes find employment together with the former in the regions where farms are large and the local labour supply insufficient, as in Hesbaye, Condroz etc.

The large majority of these emigrant labourers are Flemish.

Of course the formation and number of the various classes of agricultural labourers in the different regions is influenced by various circumstances. Of these the principal are the kind and area of the farm, the nature of the soil, the density of the population, the conditions of the labour market, the development of agricultural technique etc. It is, indeed, evident that where, as in the regions of the Dunes, market gardening and livestock improvement prevail, a larger number of servants are required for the farmhouses ; and where small farms predominate the employment of *tâcherons* is rare, though they are most necessary, on the other hand, at certain times on the average sized and large farms. So also it is evident that in a region where the population is large and the rural industrial development is considerable, such as Flanders, it is comparatively very easy to find the labour-

ers required on the spot, in the class of house servants and day labourers, which consequently reduces the employment of *tâcherons* etc.

§ 2. The various forms of recruiting farm labourers and the contracts.

In Belgium there is no organized labour market, nor are there private or public labour bureaux for farm labourers, but the system still prevalent is that of the direct search for employment on the part of the labourer, who often goes from farm to farm offering his services, or, what is more frequently the case to day, the landlord or the lessee goes in search of the labour he needs. Nor are advertisements in the agricultural papers and magazines of much use, for the simple fact that the field labourer reads little or rather does not read the papers at all, and, for his part, has no need to resort to public advertisement, because generally the demand for labour exceeds the supply.

But if the individual quest of labour, directly by the party concerned, is still the system most usual in the Belgian country districts, there are, all the same, also special persons who in particular places undertake to recruit and to find employment for labourers. Thus, day labourers usually may be recruited by any person of the locality who, often out of pure friendship towards the owner of the farm, undertakes to find them and to provide the necessary information in regard to them. The *gagistes*, on the other hand, coming, as we have seen, for the most part, from other regions, are supplied by special intermediaries called *placeurs*, who receive generally 5 francs for every servant engaged. Finally, the *tâcherons* are recruited by gangers or by special agents. In the first case, the ganger deals directly with the farmer, obliging himself to obtain the necessary labourers for him at the time and under the conditions desired. This is the usual system in the districts of l arge farms.

The want of any organization of the agricultural labour market referred to is due to the very character of the Belgian farm labourer: "*L'ouvrier agricole est en Belgique un candidat à terre*" (In Belgium the agricultural labourer is an aspirant for a farm). No farm labourer there proposes to better himself as a labourer. No labourer, that is to say, struggles as a wage earner, *but as a future independent farmer*. Right or wrong, says Bouché, in the work quoted, he considers his position transitory; he is sustained by the force of his own ideal, which is possession, and which very often is practically realised by the occupation of a piece of land on lease. The agricultural labourer, in substance, hopes one day to leave his class, and in this hope he does not understand or feel the need of a labour organization.

Let us now consider the customs and forms of contract existing in Belgium for the employment of agricultural labourers. There are verbal and written agreements. The first are usual in the case of *gagistes* and day

labourers, the second in that of the *tâcherons*. The reason of the difference is simple : the *gagistes* and day labourers are the ordinary, usual labourers ; if the former come from other places they are, however, in constant contact with the farmer by whom they are lodged ; while the latter, belonging to the place in which they work, are quite well known by everybody. Both, in a word, are or become members of the household and hence a verbal agreement suffices to establish their reciprocal engagements with the landowner or tenant farmer. The *tâcherons*, on the other hand, as we know, are strangers to the locality, they often come from distant regions to do special work, temporary but of great importance, such as mowing, harvesting etc. ; it is therefore advisable, even necessary, to have in their case, a written contract, for the mutual security of the parties.

There are various customs in different regions prevalent in regard to the engagement and dismissal of *gagistes*. In the region of the Dunes they are accustomed to present themselves for service at any period of the year, but those who keep to the old customs enter into service on the first of May and annually renew their engagements on that date. In the region of the Polders they are engaged for a whole year, but always paid by the month. In Campine the agreement is for a year, or for a month, without any indication, however, of the date of its expiration. In Condroz the contract is on some farms by the year, on others by the month etc.

In some regions there is a characteristic custom, in accordance with which a kind of earnest money, *godspenning*, is given by the farmer to the *gagiste*, at the moment of passing the contract. In Campine the amount is 10 francs, usually paid by whichever party breaks contract. In Flanders, a *godspenning* of 5 francs is paid at the passing of the contract ; on the expiration of a year, if the servant renews the agreement, he receives a second *godspenning*, which is in this case really a premium.

Provision is also usually made in the agricultural labour contracts for 15, 10 or 8 days' notice of termination of contract to be given, a rule by which both the servants and the farmers or landholders are bound.

Written agreements, as we have said, are almost exclusively confined to cases of engagements for piece work. The farmer and the *tâcheron*, in fact both, are keenly interested, the first to know for certain that his crops will be harvested, the second that he is assured of sufficiently remunerative work in the summer. The form of these contracts is rather simple and often consists in a mere written promise. The farmer, in most cases, arranges with a single labourer, the ganger, who undertakes to find the necessary labourers and generally is the only one who signs. When the moment comes for the execution of the work, the farmer advises the ganger so that he may hold himself in readiness.

This is the most usual form of these agreements. But, owing to the increasing employment of agricultural machinery and the need of security the labourers on wages are feeling more and more, in recent years this labour contract has been transformed and adapted to new requirements. A special arrangement is now made by the large farmers who employ

machinery. The farmer, that is to say, engages, by means of a regular contract, a certain number of labourers for the summer season, with their pay fixed in advance. The arrangement is generally for about 200 francs for six weeks with lodging and a proportion of their board to be agreed upon. In this new form of contract it is established that the labourers must do all the work required by the farmer ; the reaping, transport of the grain to the warehouses, manuring etc. And in some cases also the farmer has the right to demand an extra week's work at 4 fr. a day per labourer.

The agricultural labourers generally prefer this new system, because the pay and the period of their employment is fixed in advance and they are less exposed to risks than formerly.

§ 3. Agricultural working hours and wages.

The Belgian agricultural statistical returns give us no information with regard to the working hours of the agricultural labourers, but it may be said generally that it is the sun that regulates the duration of the work in the fields.

On the other hand, the Monographs on the different regions of the country (1) the Agricultural Department has published in most cases, indicate a working day in winter from 6 or 7 a. m. to 5 or 6. p. m. and in summer from 4 or 5 a. m. to 7 or 8 p. m., with about two hours rest during the day. But this applies mainly to the case of the *gagistes* and so the information is incomplete. It is advisable, on the other hand, to make a distinction, as far as the duration of the agricultural work is concerned, between the three classes of agricultural labourers previously considered, as the conditions of these classes are different, and it will then be easily seen that the *gagistes* and *tâcherons* have the longest days, the former, because, being house servants, they must always remain at the farm house, the second because they work by the piece ; both, then, "follow the sun ". On the other hand, the day labourers, whose affinity to the industrial workmen is closer, are trying to obtain more or less fixed hours, on an average twelve a day. And this is possible in view of the kind of work entrusted to them. There is to be observed, also, a general tendency towards the reduction of the hours of agricultural work, which is most marked in the regions of large farms and in the neighbourhood of industrial centres.

Let us now pass to a consideration of the wages, giving special attention to the modes of payment and the rate of pay.

In the first place the wages may be calculated in respect to the time or to the quantity of work done. In respect to time, the wages may be per year, per month, per day and per hour.

Wages per year imply a long contract, for at least one year, but such contracts are tending slowly to disappear. It is, in fact, evident that contracts

(1) See Sources of this article.

for a year impose too great an obligation on the farm labourer, and where they still exist they are a heritage of times and customs of the past. They are only made with farm house servants.

Wages are most usually calculated by the month in the case of the *gagistes*. The month is the shortest period for which they are employed. Those, indeed, who are not satisfied serve their month and go to seek employment elsewhere.

The day labourer is paid by the day ; as are also labourers who work by the day at the farm house. There are also wages paid per half or quarter of a day, especially in the case of women who cannot leave their homes for an entire day and can only engage to work for a few hours.

On Belgian farms wages are also paid by the hour, but this is rare. The verification of the number of hours actually worked in this field is very difficult. It requires a special system of bookkeeping, both fatiguing and inconvenient. However, the neighbourhood of urban and undustrial centres where wages are generally paid by the hour in the factories has here and there led to the farmers adopting the system.

The other mode of calculating wages is in proportion to the amount of work done, *by the piece* and *by the job*.

The former is usual when the labourer is engaged to perform a given kind of work at a rate of so much for a definite portion, so much, that is, per square metre, so much per 100 kg. of grain threshed etc. ; the latter, when he assumes the charge and the responsibility of executing the whole of a given work ; thus, if a *tâcheron* engages to harvest the beetroot crop on an area of 15 hectares at 55 francs the hectare.

And the labourer who threshes grain *by the piece* may suspend his work at any moment ; but he who has undertaken the mowing of a given area is obliged to finish the job at his own risk and peril.

While, however, wages paid *by the piece* are generally those of individual labourers, wages may be paid by the job either to individuals or to groups, generally to individuals on small farms, where often the work of a single *tâcheron* suffices, and collectively on medium sized and large farms. In the latter case, the work is arranged on a co-operative system, by several labourers who contract to do the work and divide the wages almost always in equal proportions. The head of the group sometimes receives a slightly larger amount, for example 50 centimes more a day.

The farm wages as above distinguished may be paid in money, in kind or in service.

Money is of course the principal if not the only form in which farm wages are paid. The *gagiste* earns, in fact, from 15 to 20 or 30 francs a month ; the day labourer from 2 to 3 or 4 frs. a day, or 0.15, 0.25 or 0.30 frs. an hour ; and the *tâcheron* from 20 to 25 or 40 frs. the ha.

This is the only method of payment in the case of the *tâcheron* and day labourer, who sometimes receives no additional wages in kind, such as board or lodging. It is, however, the principal but not the sole form of remuneration of the *gagiste*, who generally receives board and lodging on the farm on which he is employed.

Wages in kind form the principal or the sole means of remuneration in the case of certain work performed *by the piece* or *by the job*. Thus a labourer threshing grain, instead of receiving, for example, 1.50 fr. per 100 kg. threshed may receive a proportion of the grain, $^1/_{12}$ th. or $^1/_{15}$ th. Another labourer may undertake to reap the fields of a farm on condition of receiving a certain proportion of the grain. This system is still usual in Hesbaye and Condroz, regions of medium sized and large farms, where the ordinary labourers (in the fields and houses) are not sufficient and the more important work has to be given out to *tâcherons* on contract.

In some regions, in addition to payment in money it is customary to give the day labourers and *gagistes* presents or perquisites. Thus, for example, in the Polders, the day labourers receive on lease from the farmer some ares of land already manured and sown, and with the help of what they can make on the farm they are able to keep rabbits and a pig or two.

A third characteristic method of remunerating labour is by means of special services rendered to the labourer. It is no rare thing for the farmer who engages labourers to perform certain work (such as ploughing, manuring, transport etc.) or get it performed for them. This kind of return service (unknown in the manufacturing field) may be gratuitous or may be repaid. In the first case, it is, in so far as the benefit can be expressed in money, a supplement to the ordinary wages. In the second, however, there is a real exchange of services, the value of which is estimated by each party, or the whole or part of the work done by the agricultural labourer, generally belonging to the class of day labourers, is paid for by means of certain services rendered by the farmer. Thus, in the region of the Dunes, the servants and farm labourers, generally, on holidays have free use of their employers' horses and wagons for ploughing, manuring etc. Elsewhere, however, the day labourers are compensated for their labour by means of services of various kind ; the preparation and sowing of a piece of land, transport of material and produce etc.

There are, finally, no recent official statistics in regard to the rate of farm wages and the information in unofficial publications is generally little reliable.

From the manifold examples revealed by Bouché's enquiry above mentioned, it appears that nowadays the annual wages of farmhouse servants vary according to circumstances from a minimum of 500 frs. to a maximum of 900 frs., including board for an average number of 300 days effective work. The wages of day labourers it may be said had in general risen considerably between 1900 and 1912. As, in fact, appears from a special statistical report on the fluctuations in wages during that period, compiled by the West Flanders Provincial Agricultural Commission, in 1900, the average daily wage in the rural communes of that province was for men 0.96 frs. with board, or 1.7 frs. without, and for women 0.57 frs. with board and 1.13 frs. without. These averages in 1912 were respectively 1.45 frs. and 2.35 frs. for men and 0.93 frs. and 1.68 frs. for women.

UNITED STATES.

THE AGRICULTURAL NEEDS OF THE UNITED STATES.

AMERICAN EVIDENCE: Information and Evidence Secured by the American Commission and the United States Commission. Senate Document No. 214, Part 3. 63rd Congess, 1st. Session. Washington, 1914.

INTRODUCTION.

We have already dealt in this *Bulletin* with the work of the two Commissions which, in 1913, visited Europe for the purpose of collecting information upon the subject of agricultural co-operation, including agricultural credit. The investigations were undertaken for the purpose of discovering how far European systems of co-operation could be adapted to meet the needs of American agriculture, and, as a necessary preliminary step to making specific recommendations, the Commissions attempted to ascertain the precise nature of these needs. The American Commission asked the Governor of each State to appoint a small committee to prepare a brief report on the State's agricultural needs. Reports were in due course received from most of the States and printed in a single volume as Part 3 of Senate Document No. 214.

The reports, as indeed was to be expected, are very unequal in value; but taken together they give an interesting and presumably accurate account of America's agricultural needs, and we shall attempt here to give a summary of their contents. Without trying to deal with the reports by States we shall examine the needs of American agriculture under four heads: (1) Improved methods of farming; (2) Improved facilities for the transport and sale of produce; (3) Increased credit facilities; (4) Improved social conditions.

§ 1. Improved methods of farming.

In the course of recent discussions upon American agriculture it has often been asserted that what the farmer lacks is a knowledge of business methods, and that what he needs, therefore, is something in the nature of instruction in the art of selling. The average farmer, according to this view, is a man who is competent and hard-working and, as a technical farmer, successful, but who receives very little in exchange for his products because he is exploited by food combines or trusts. An impartial examination of the evidence available, however, rather inclines one to doubt the correctness of this view. That the farmer is often a bad business man is undeniable; but that he is usually a combination of good farmer and bad business man is not so clear. There is no obvious reason why a man who shows intelligence as a farmer should cease to be intelligent when he comes to do business; and the real truth seems to be that the indifferent farmer is usually an indifferent business man, and that good farming — that is, intelligent farming — is usually associated with intelligent business methods.

At anyrate, leaving aside for the moment the question of the disposal of farm produce, there is, in the reports with which we are dealing a clear consensus of opinion that the American farmer needs, over and above everything else, instruction in improved methods of cultivation. This in no way affects the truth of the assertion that if the farmer were better informed as to the markets for his products he might very often secure better prices for them. What is affirmed is this: that while American farming may have more than one weak point it is really weakest from the point of view of what constitutes sound farming, and that, consequently, it is towards improvements in technical agriculture that the farmer should first direct his attention.

To explain why much of the farming in America is relatively poor farming, and much of it absolutely bad farming, a number of reasons would have to be assigned. We shall refer only to those which are indicated in the reports with which we are dealing.

In the first place the American farmer, ever ready to move on to new lands in his search for an agricultural El Dorado, is constantly trying to farm under conditions of soil and climate which are quite new to him and which he does not in the least understand. As a result, his work for the first few years in a new district is usually a series of unfortunate and costly experiments. And by the time he has become fairly well acquainted with one district, and is farming with moderate success, he probably hears of another new district where land is waiting for the first comer and the crops are phenomenal — even for America, — and he takes the trail once more.

Until the present time, free land or at anyrate cheap land has always been available either in the United States or in Canada, and there is still

an enormous territory to be brought into cultivation, so that for a long time to come the difficulty of the new settler will exist. The problem to be solved is how to provide him with sufficient information about the agricultural conditions of the district into which he has moved to prevent his making serious mistakes in cultivation.

The problem is referred to by a large number of the State Commissions. The Idaho Commission reports thus : " The majority of the farmers of Idaho are new settlers. They have had little or no experience with semi-arid agriculture, and in many instances no experience of any kind in agriculture. The mistakes made under these conditions, where they have no counsel and advice, are extremely costly and fatal to their success. " Again, in the Oklahoma report we read : " We need a general education of our farmers along all agricultural lines. Fundamental in such education should be information relative to soil and climatic conditions, as practically all our farmers come from States where conditions are different and will not realize the full degree of success from their efforts until they have an understanding of the local conditions. "

But the need for technical instruction in agriculture is by no means confined to the inexperienced settler in the newer States. New Jersey is one of the oldest of the States, yet in their report the Commissioners say : " We do not, in most cases, secure the returns from the land which the intelligent and industrious farmer should secure. We fail to conserve the moisture that falls upon the land. We fail to supply the lacking plant food. We fail to adapt varieties of crops to our particular needs. We fail to deal effectively with fungous and insect enemies. In a word we still have much to learn concerning methods of profitable farming. "

Enough has been said to show that the people interested in agriculture in America labour under no delusion as to the average quality of the farming there. Fortunately they also see clearly that the standard can only be raised by a well-devised system of technical instruction, and the reports are practically unanimous in recommending that all the existing agencies for providing such instruction should be strengthened and extended. The method of providing technical instruction through county agents or demonstrators is viewed with particular favour by the Commissions. It has already yielded excellent results in various States, for the most part in the South, and is being extended rapidly, — expert advisers being appointed by county authorities (often with some financial assistance from both State and Federal authorities) practically as fast as suitable men become available. The men are drawn largely from the Agricultural Colleges, but the ordinary college course in agriculture needs to be supplemented by some considerable experience as a practical farmer, and by some further study of the economics of production, in order to fit a man for the position of agricultural adviser to a county. An adviser is expected to carry out a soil survey of his district, to make soil analyses, to issue useful general instructions to farmers and at the same time give advice on specific points to individual farmers, to solve problems of farm-

management, to give advice as to the best methods of selling farm produce and, if necessary, to organise and manage a labour bureau.

The farmers' demand for increased help from Federal and State agencies will be met to a very considerable extent by a recent Act of Congress — the so-called " Lever Act " — under the provisions of which a sum of 23,120,000 dollars will be devoted by the Federal Government during the next nine years to the extension of agricultural instruction, on condition that the States contribute in the same period of nine years a further sum of 18,800,000 dollars for the same purpose.

A number of the reports refer to the question of tenancy, and as the matter is always closely connected with the question of methods of cultivation we may deal with it at this point. Tenancy, or to be more precise, the occupation and working of the land by tenant farmers and not by the real owners of the land, is almost universally alluded to in the United States as an evil, though to speak of " the evil of tenancy " is somewhat misleading, when what is really intended is the defectiveness of the existing system of tenancy. The fact that, as things are, rented land in the United States is usually badly farmed land proves no more than that the system under which tenants rent land is on the whole a bad one.

In some cases the real nature of the evil is seen clearly enough. The Iowa Commission, speaking of conditions in that State, say: " The most obvious need is the recasting of the present system of land tenancy. At present 40 per cent. of the farms of the State are occupied by tenants. Most of the leases run for but one year; a few are for three years, and some for five years. This system of short term tenancy is bad for the landlord, worse for the tenant, and worst for the land. The general practice of farm tenancy takes but very little into account the all important factor of retaining or improving the fertility of the land. We need laws, both Federal and State, that will compel consideration of the land in all leases, making it the chief factor of importance, to be followed later by the claims of the tenant and the landlord. We need mandatory laws providing for compensation to tenants for improvement both of the soil and of buildings. "

It is clear, therefore that in Iowa at least the members of the Commission recognise that the evil lies in the shortness of the tenancy and in the fact that the tenant has no claim to compensation.

In the report from New Jersey, too, the difficulty is stated in its true terms: " The depletion of the soils of our State has been hastened by lack of wise legislation on land tenure. Under present conditions the tenant is not in any way encouraged to improve his holding. He knows that he is renting the farm for one or two years, or at most for a few years only, and aims to derive as large an income as possible with the least investment on permanent improvements. He has no incentive to adopt methods or rotations that would enhance the crop-producing power of the land. European countries have long recognized the wisdom of encouraging the tenant to maintain the land at a high level of productiveness. It is time that

New Jersey, among other States, gave earnest consideration to legislation on land tenure."

§ 2. Improved facilities for the transport and sale of produce.

In a country like the United States, where producing regions are often at enormously long distances from consuming centres, the problem of providing adequate facilities for transport and sale is constantly making itself felt in one form or another. Occasionally it is a purely material question of providing the means of communication; more often it is a question of finding an economical system of selling to take the place of methods which are regarded as wasteful and inefficient.

There are references in the reports to both aspects of the problem. The need for good roads for instance is insisted upon in the reports from Delaware, Montana, New Jersey, Oregon and other States; the need for organising co-operative selling associations is referred to in a large number of the reports; and several others point out the need for organising associations of consumers in the towns.

It is significant that while the farmers would appear to be satisfied with the existing railway service they feel severely the need for better roads. In fact, railway construction has outrun the development of communication by road, and many places enjoying by rail an excellent service of communication with distant towns are separated from near-by towns and villages by roads which at their best are bad and at their worst are impassable. As a result, the work of hauling produce from the farm to the railway station is rendered both irregular and costly. Nor is this state of things confined to the newly settled sections of the country. New Jersey, long settled and thickly populated, is famed for its good roads, yet the Commission in that State report thus: "Miles and miles of our country roads are still in a deplorable condition and the hauling of farm produce over these roads is a costly undertaking." And again in the Delaware report we read: "Transport facilities include all that is necessary to take the products of the farm to the door of the consumer. This begins with the haul from the farm to the railway or wharf, and, therefore, includes the necessity of good roads. The States need the assistance of the Federal Government, and a liberal appropriation of Federal funds would afford the needed encouragement to the much more general building of permanent roads."

It may be noted here that the demand for better roads is based, not on economic grounds alone, but also, and even more often, on the ground that good roads contribute more than any other single factor to the amenities of country life. Bad roads impede social and educational development by making it difficult or even impossible for the members of scattered communities to meet together for the discussion of matters which affect the common interest and call for common action.

Turning now to the question of reorganising the existing selling methods we find the reports practically unanimous in recommending the form-

ation of co-operative selling agencies, but unanimous also in failing to indicate what steps should be taken for their formation or what type it would be advisable to establish. The Commissioners as a rule are inclined to suggest tentative measures only in the direction of co-operative enterprise, recognising that much may still be done by improving, and to some extent regulating, existing selling methods rather than by attempting to abrogate them in their entirely as many enthusiastic co-operators propose. Thus the Minnesota Commission writes as follows: " The policy with regard to forming new organizations should be extremely conservative. For the present, the principal work should be investigational and educational rather than propagandist." Several of the Commisions refer to the need for special legislation to facilitate the establishment and regulation of co-operative societies, and the lack of appropriate legislation has undoubtedly hampered the development of agricultural co-operation in America to some extent.

The Commissioners in New Jersey without committing themselves to the recommendation of any particular type of farmers' organisation are of opinion that great economies might be effected in the cost of distributing farm products if the different parties interested in the problem acted in common. This is a very different proposal from the one usually made, namely, that the farmers should form themselves into associations from which middlemen and merchants would be rigidly excluded. The New Jersey Commission recommend that producers, public carriers, commission dealers and merchants should meet together and discuss plans for promoting the interests of their community. " Neglect of community interests", they add, " is certain to react unfavourably on the individual producer;" and they point out two directions in which common action is calculated to yield beneficial results, — in establishing public markets and in promoting the formation of consumers' leagues in towns. With reference to the latter movement they say: " Much has already been done in Europe in the organisation of consumers' leagues which secure their commodities from the individual producer or from societies of producers. The possibilities in this direction are well illustrated by an organisation of factory employees in the city of Passaic, N. J. This organisation has been buying co-operatively for a number of years directly from producers, among them the Monmouth County Farmers' Exchange, whose office is located at Freehold."

Upon the whole, the reports show that the American farmer is somewhat diffident of schemes for co-operative production and sale, and that he looks rather to Federal and State institutions to furnish him with information which will enable him to make more intelligent use of the ordinary commercial facilities for the transport and sale of his products.

§ 3. Increased credit facilities.

Many of the reports, before discussing the question of providing increased credit facilities, refer to the difficulties which sometimes arise with reference to a holder's title to the land he occupies. The matter is of considerable importance in two ways. In the first place any doubt as to the legality of the titles to land in a particular section of the country is apt to prejudice bankers and the investing public against that section; and in the second place, since the cost of proving a clear title must be added on to the cost of any loan raised on the land itself, it is to the interest of the farmers that the system of land registration be as simple and inexpensive as possible.

Here again it is to be observed that the difficulty is not one which is peculiar only to the more recently settled States. It is referred to in the reports from Oklahoma, Idaho and Oregon, but also in those from Connecticut and Georgia.

The Oklahoma Commission says: "Until a short time ago the restrictions on Indian lands made it difficult for a white man to get a clear title to a farm. Even now so many complications have arisen over transfers of titles that it is often an expensive matter to prove a clear title." In the Oregon report, we read: "Steps should be taken to secure compulsory uniformity of land registration and State guaranty of titles. Some system upon the Torrens plan of land registration is necessary to cheapen the transfer of property and secure simplicity and safety in pledging land as a security for credit." In Idaho the difficulty arises in connection with settlers under the so-called "Carey Act," who have to fulfil certain conditions as to residence before they are granted a definite title to their land. Until all the conditions as to residence are fulfilled these settlers are unable to borrow anything on the security of their holdings. The Commission says: "Some means must be devised whereby settlers on Carey Act projects may receive early title to their lands, so that they may be enabled to give some security for borrowed capital, which they must have in order to develop their property and make payments on their water rights." The Connecticut Commission, speaking of the proposal to create a land mortgage institute of the Landschaft type, says: "If this were to be done, a simplification of our methods of land registration and the adoption of someting like the Torrens system would be needful and there would be need of further simplification of our customary foreclosure proceedings."

Turning now to the evidence as to the need for furnishing special credit facilities for agriculture we find, as has been found in the course of every enquiry made in the United States, that the financial position of the farmers as a class varies widely from one district to another. While on the one hand, in North Carolina, the average farmer "either has no credit at all or is compelled to use such form of high priced credit as he can obtain from

the merchant," and in New Mexico, " the average rate of interest paid by the farmer on short time loans exceeds 12 per cent. and he has great difficulty in getting money sufficient for his needs;" on the other hand in the older rural districts of Wisconsin, " money for development purposes is cheaper than it is in the cities", and in Minnesota, " there seems to be no discrimination against farmers and in favour of local merchants in the matter of interest rates on short time loans."

In Arizona the Commission reports that, " It is usual almost everywhere for commercial agencies to take advantage of the needs of the farmers and either force him to sell his products at a disadvantage or to borrow money at excessive rates of interest, or under conditions fraught with peril to himself." The Texas Commission finds that, " The State needs improvement in the credit and financial facilities now at the command of the farmer;" and the Utah Commission that, " The State needs a quicker and cheaper supply of money for farm loans."

The evidence from Connecticut is to the effect that the facilities of the farmer for long term credit in that State may be considered " fairly adequate", except that the gradual extinction of the loans by amortization payments is practically unknown.

Naturally, the recommendations of the different State Commissions as to what steps should be taken in the matter of providing additional credit for agriculture, also vary widely. Some of the Commissions declare unhesitatingly in favour of the establishment of some form of co-operative credit institute, — mortgage banks with bond issuing powers for the provision of long term credit for land purchase and permanent improvements, and co-operative credit unions for the provision of agricultural credit as distinguished from land mortgage credit. Others seem to be of opinion that upon the whole the business of providing credit can safely be left to ordinary banks and private companies (*e. g.*, life insurance companies) which have large sums to invest. As a rule the Commissions which consider that additional facilities are required make no suggestion as to type of credit institute which it is desirable to encourage in order that such facilities may be provided.

It is interesting to note that the plea for greater facilities for obtaining long term loans upon favourable terms of repayment is usually made in the interests of the tenant class. Thus in the Minnesota report, we read: " In the discussion of this subject we believe that the tenant farmer has not received sufficient attention. The inefficient renter, who shifts from one locality to another, perhaps deserves to be left out of account. We believe, however, that under the present conditions of high land values, it is difficult for the industrious and efficient tenant to acquire ownership of land, and that a system of long time loans with an amortization feature would be a distinct benefit to such renters." The Mississippi Commission is in favour of establishing some form of land mortgage institute with power to issue bonds on the ground that this system " would furnish investments for those who are now absentee landlords and allow the purchase of their land by the tenants."

The Washington Commission favours the creation of a mortgage credit institute on the lines of the German *Landschaft*. The West Virginia Commission, on the other hand, believes that in any endeavour to improve credit conditions attention should first be concentrated upon banks, trust companies, building and loan associations and other established financial organisations. The single Commissioner who reports on the needs of Oklahoma says: "Much is said about credit systems and about high rates of interest charged to farmers. In my opinion this matter will adjust itself when farmers farm in such a manner as to accumulate a surplus sufficient to improve and stock their farms. Interest rates are subject to an economic law of supply and demand, and when the security which the farmer gives the banker is improved rates of interest will fall. I do not believe this matter merits any special attention." In Kentucky the Commission does not think that European systems of land mortgage credit could be successfully introduced into the United States where there is a shifting population, and where, in addition, the strongly individualistic temperament of the average farmer would prove a serious obstacle to their smooth working. In Connecticut, as we have already noted, the existing facilities for long term credit are considered fairly adequate.

With reference to the provision of short term or personal credit to enable the farmer to meet the annually recurring need of his business there is a like diversity of opinion in the reports of the Commissions. The Georgia Commissioners say: "We believe that short term, cheap, safe and elastic credit can be secured by our farmers by the organising of rural communities into co-operative credit unions", and the Iowa Commission is in favour of the introduction of co-operative unions of the Raffeisen type. But the Connecticut Commissioners say: "It seems to your Committee that the credit facilities of Connecticut are already of such a character that a wise extension of their use would go far towards meeting the needs of the people; and that it is doubtful whether credit unions of the Raffeisen type would find congenial soil among our farming population, especially if these unions were characterized, as is usual, by the unlimited liability of the members." The Oklahoma Commission is more emphatic in its opinion, and says in its report: "Easy and cheap credit seems to be the panacea generally recommended for all agricultural troubles. It is true that the condition of the peasants in a number of European countries has been improved by the personal credit system, but their whole foundation of agricultural conditions differs so absolutely from what we have here in Oklahoma that the adoption of such a system by us is, so far, out of the question."

It is a fact worth noting that throughout the reports it is never suggested that the duty of financing agriculture is one which devolves upon the State. The Commissions, as we have already seen, do not hesitate to recommend that public money should be devoted on a generous scale to agricultural schools and colleges and to all the various agencies for the improvement of technical agriculture. They are in favour of State aid for the improvement of country roads, for the provision of schools in rural districts, and, in a word, for the support of any scheme of obvious public utility,

material or moral. But they do not propose that the State should provide the additional capital which American farmers need for the better organisation of their business.

§ 4. Improved social conditions.

It is admittedly impossible to separate entirely the question of the improvement of social conditions in the rural districts from that of the improvement of the economic position of the farming class. But neither is it true that social conditions are determined solely by economic conditions, and it is at least convenient, and at the same time adds something to clearness, to examine the former under a separate head.

A number of causes have combined to make life in the small villages and in the open country somewhat hard and dreary. This is true even of rural life in New England and in other long settled regions where towns are comparatively numerous and the means of communication are relatively good ; but it is true especially of the life in the farming districts of the Central and Western States where the distances to be travelled for purposes of business or pleasure are great and communication is made more difficult by the absence of good roads, where very few of the comforts and amenities of life are to be enjoyed, where there is but little social interest and the community spirit is practically non-existent. Under such conditions it is not to be wondered at that the young people find life in the country irksome or that the older people move into the towns as soon as their means will permit them to give up working on the land.

The Commissions are practically unanimous in recognising the fact that life in the country leaves much to be desired. They urge, in the first place, the need for better educational facilities; in the second place, the need for increased opportunities for recreation and amusement. The New Jersey Commission writes thus: " By establishing agricultural courses in our public schools, by providing better trained teachers. by reorganising social activities we shall lay the foundation for systems of education dealing directly with the individual and directly with problems that need solution." The Illinois Commission writes to the same effect: " Better school conditions demand the attention of the State and we suggest the necessity for a new State law providing for the modernisation of country schools and the introduction of vocational courses of instruction."

It is a very common complaint of the farmers that the teachers in country schools are not only, in general, poorly trained for their work, but are, moreover, usually out of sympathy with rural life. This is undoubtedly true, in spite of the fact that there are numerous notable exceptions ; and the reasons are not far to seek. Country schools as a rule are small, ill-equipped and badly supported financially. School governors, having appointed a teacher — in the majority of cases, it must be noted, for the period of perhaps six months during which the school will be open and for

no longer — too often take no further interest in the fate of either school or teacher. Naturally, under these conditions, very few really able men or women can be attracted into the service of rural schools.

The matter is a serious one and the demand for better schools is every day becoming more insistent. There is a very pressing need for additional training colleges for teachers in rural schools, and there is a movement on foot (at present unfortunately not very widespread) to consolidate a number of small rural schools into one efficient, well-equipped district school. It is rapidly being recognised, too, that a well organised school has a very wide field of usefulness open to its activities and is capable of serving as a social and educational centre for the whole community. The schoolmaster in a rural neighbourhood is in one sense in a privileged position. He can initiate schemes for the better organisation of the economic or social life of the community without running the risk of being accused of having interests of his own to serve, and he may fairly expect to be supported by everyone who has the well-being of the community at heart.

For this reason, among many others, the awakening of public interest in rural education may fairly he regarded as a fact of profound importance, full of promise for the future of rural America.

RUSSIA.

HOME COLONISATION IN SIBERIA (1) IN 1913

§ 1. General progress of state directed colonisation.

The readers of our Bulletin already know (2) that the colonisation of the immense desert tracts of Russia beyond the Ural Mountains was one of the chief features of the extensive programme of agricultural reform initiated in 1906 by the Ministry presided over by the late P. A. Stolypin. The suppresssion of the former system of collective ownership on the part of the " mir " and the purchase of land though the medium of the Peasants' Bank not sufficing, in spite of improved methods of farming, to satisfy the demand for land among a population that in the natural course increases so rapidly as the Russian, it became absolutely necessary to settle the superabundant peasants who had no land in districts outside of European Russia. It was principally with this view the systematic colonisation of Russia in Asia was organized by the State.

The measures taken by the Government to encourage and promote this colonisation belong to two different systems. On the one hand, the "General Colonisation Department" (Переселенческое Управленіе), founded for the purpose at Petrograd, undertook to explore, classify, settle the boundaries of and " prepare " the land suitable for colonisation on scientific lines. On the other, a whole series of special facilitations were accorded by Decree to all settlers in the Transural regions.

Of course these two systems were to work simultaneously and complete each other. The organisation of the holdings was to correspond with the number of emigrants, to none of whom was to be assigned land that was not sufficiently prepared in regard to the fixing of the legal boundaries, irrigation, clearing, roads and the principal requirements of ordinary life. But, actually, things took quite a different course.

A succession of bad harvests, the agrarian disorders of 1906 and 1907 in European Russia, the excessive facilitations granted at the first to emi-

(1) Including the " Region of the Steppes " and some parts of Turkestan.

(2) See article " *General Outline of the New Russian Land Reforms* " in the numbers of this Bulletin for November, 1913 and January, 1914.

grants, and other circumstances it would take too long to enumerate here, gave an absolutely unexpected incentive to emigration to Siberia. From 46,000 and 44,000 in 1904 and 1905, the number of emigrants increased to 217,000 in the first year in which the land reform came into force (1906), and by a bound reached in the next year 577,000 and at last attained the enormous figures of 759,000 and 707,000 persons.

With so extraordinary and unexpected an invasion, the General Colonisation Department of course found itself quite unable to cope. In spite of a very considerable increase of its funds, and the admirable energy exhibited by all its numerous staff, it was soon quite materially impossible for it to prepare the number of holdings indispensable for the ever rising flood of emigrants.

The Government had to take energetic measures to check the influx of colonists, thousands of whom, indeed, who had started without reflection, and without any of the qualities required for a good colonist, already discouraged, asked to be sent home. The facilitations, too liberally granted to the emigrants in the earlier years, were reduced ; a more severe examination of the colonists applying instituted and, other circumstances being favourable, finally the invasion could be checked. In 1910 the total number of emigrants to Siberia decreased to 310,000 and the next year it did not exceed 226,000. The General Colonisation Department could breathe a little, and the natural proportion between the land prepared and the number of colonists provided with lots for cultivation could be re-established.

In 1912 there was again a slight increase in the immigration to Siberia, the number of new comers amounting to 259,000, but the Colonisation Department is now master of the situation and the land prepared is sufficient not only for the requirements of the new comers, but also for the provision of large reserves to meet future demands.

In 1913, for which the first statistical summaries have just appeared, the increase of immigration was further marked and to a considerable degree. The total number of new comers was 327,500. But as we shall see, the preparation of the holdings for immediate colonisation has increased in even larger proportion and the Government is in a position not only to reduce some of the credits granted for the purpose, but also to use the savings for the extension of its work of organization preparatory to colonisation to new districts, not yet included in the colonisation areas.

It was time this last result was reached. In fact, the land traversed by the great lines of communication, railways, roads or rivers, is already overstocked with colonies. To render possible a further influx of immigrants, and direct their course towards those regions it is most important to secure for European colonisation for purposes of commerce or industry or the security of the frontiers of the Empire, it is first of all necessary to open up these countries by means of new lines of communication. This is the most urgent problem the future calls for the settlement of, so that there may be a further extension of colonisation in the regions still unoccupied.

But let us leave the future and return to the work done in 1913.

§ 2. Legislation and regulation of colonisation.

The gradual and continual increase of economic activity in the regions of comparatively old colonisation has given rise in these regions to a whole series of new problems, the solution of which has necessitated considerable legislative action on the part of the Government authorities. The rights of ownership, lease or usufruct, granted often too hastily to the colonists on their first establishment, had to be reconsidered and at last no longer given. Special measures have had to be taken to encourage the formation of large and medium sized holdings. The progress of livestock improvement rendered the regulation of pasture land and steppes necessary. Hamlets and towns, commercial or industrial enterprises have arisen where formerly there were only " tundras ", and here also it was necessary to legislate and regulate. Land formerly unproductive has been gained for agriculture by means of remarkably expensive irrigation works, such as the construction of the Galitzin and Woronzoff canals in the Muchansk steppe (1) and the great Romanoff canal, not yet completed, in the « Hunger Steppe» (2). It was necessary to regulate the colonisation of this land so as to ensure that its cultivation should be in proportion to the high price of the land thus conquered from nature. Everywhere, finally, from one end to the other of the immense territory, the most various measures must be taken with a view to the improvement of the general conditions of life of the colonists.

Among the legislative and administrative acts of every kind to which the solution of these various problems gave rise in the year 1913, let us mention quite specially those relative to the following matters :

Extension to any Russian subject of the rights and privileges of emigrants in the Transural provinces, up to the present reserved to certain social classes only.

Opening to colonisation of large areas in the " Hunger Steppe " (Province of Samarkand), along the sections of the Romanoff Canal already finished. Opening to colonisation of a large part of the Imperial domains in the district of Nerchinsk.

Grant of full ownership to the colonists established there as simple tenants of numerous areas of Crown Land in the provinces of Amur and along the shores of the Pacific Ocean.

Preliminary measures for a general readjustment of the holdings belonging to the Cossacks of Semiryetchensk so as to liberate for colonisation large areas of cultivable ground.

(1) See the article, " *Home Colonisation in the Caucasus from* 1908 *to* 1912 ", in the number of this Bulletin for October last.

(2) In the province of Samarkand.

Grant of various facilitations for the encouragement of the establishment of commercial and industrial undertakings in towns and rural centres.

General regulation of leases and pasture land.

New conditions in regard to credits granted to immigrants on their first establishment.

Transfer of 1,000,000 roubles to the "Alexander III Fund" for the satisfaction of the religious requirements of the colonists.

Various measures for combating the use of opium in the provinces of the Amur and the Pacific coast etc.

§ 3. Delimitation and general readjustment of colonisation areas.

If from the domain of legislative and administrative measures we pass to that of the material work executed in the course of 1913 on the initiative of the General Colonisation Department, it is incontestably the preparation of the land that first deserves our attention. Let us distinguish here between the scientific delimitation with the object of establishing the rights of ownership, the general preparation with that of rendering the soil fit for cultivation and the special measures intended to render the land made fit for cultivation habitable by the colonists.

The final operation of the scientific delimitation, or the division of the land already prepared in other respects into individual holdings, with the help of surveying and the marking off of boundaries, was carried out over a total area of 2,300,000 deciatines (2,320,000 ha.) (1). Remarkable as it was for its cheapness — the total cost did not exceed 1,000,000 roubles — this considerable work was still more remarkable as regards the area of the holdings which were surveyed and for which the boundaries were fixed in a single year. The rapid progress of the work is indeed one of the most characteristic features of the surveying carried out in Transural Russia. To arrive at a precise idea of it, it will be enough to point out that in the course of the last three years alone (1911,1912 and 1913), the total area surveyed and marked off under the direction of the General Colonisation Department attained the considerable size of 6,000,000 deciatines, equal to the united area of Belgium and Holland.

As regards the first delimitation of the still unoccupied land, it was already possible in 1912 to reduce the amount of this land, with the help of the reserves available from previous years, by nearly 50 % of the area it had in 1911, or from 3,000,000 to 1,600,000 deciatines. In 1913, this course could be continued and the reduction of the amount of work of this kind still to be done intensified. The original delimitation of uncultivated land was restricted to an area of 1,107,000 deciatiues ; 684,000 deciatines were intended for collective colonisation and the other 423,000 deciatines for individual colonisation.

(1) 1 deciatine = 1.09 ha.

The saving realised by these important reductions of the the work of preparation in the regions of future colonisation of especially agricultural character have permitted the attempt, made for the first time in 1913, of preparing colonies intended especially for forestry industry in the celebrated " taiga " of Siberia. In accordance with the general rule of only undertaking specially expensive works of preparation in important districts or with a view to the security of the frontiers or in consideration of mineral or other exceptional resources, for the attempt in question an area of 10,000 deciatines of the " taiga " of Mariinsk in the province of Tomsk has been taken. It was necessary to construct more than 140 versts of raods only to make this remote region accessible, where twenty five forest colonies have been delimited, their boundaries fixed and the colonies organized in advance.

Among the other delimitation undertakings of the surveyors of the General Colonisation Department, let us mention the division and marking off of 80,000 hectares of lots for individual colonisation in districts not yet occupied in the older colonisation areas, the delimitation, surveying and marking off of 340,000 deciatines already occupied by immigrants from the European provinces, the organization in advance of 778,000 deciatines to be assigned to Kirghiz nomads who desire to settle as farmers, that of 1,108,000 deciatines of various holdings, finally, intended to serve as colonisation reserves (the greater part) or, for the establishment of special commercial or industrial undertakings in places most suitable for such enterprise.

To the above measures must also be added those taken by the General Colonisation Department with a view to the readjustment of the holdings belonging to the " local population ", that is to say to Russians established in the country before State colonisation was begun or to native inhabitants of the various races and nationalities that occupy these immense regions. These measures, up to the present consisting only in a series of preparatory operations in view of a definite readjustment to be carried out gradually, affect a total area of 4,500,000 ha. and cost in 1913 alone altogether more than 1,000,000 roubles.

§ 4. Measures for the facilitation of the cultivation of the land.

With the object of facilitating the cultivation of the colonisation areas, the General Department has taken steps with a view, in the first place, to rendering the holdings easily accessible, and, in the second, to draining or irrigating, according to circumstances, and finally deforesting the land, when the colonists could not do it by their own efforts.

The special credit annually granted for the construction and maintenance of roads in the various regions of colonisation increased from year to year; in 1913 it had become 4,500,000 roubles. With this large amount it

was possible to construct 2,172 versts (1) of wagon roads, and complete 2,913 versts, the construction of which had been commenced in previous years, to plan and begin the construction of 4,900 new versts and finally to repair and keep in order 8,328 versts previously constructed. This credit served also for the maintenance of communication by river between certain colonies of West Siberia, for navigation between other colonies on the Pacific coast, and finally for the organization of regular goods traffic by motor car in the Kulundin steppe.

The hydraulic engineering work carried out under the instructions of the General Colonisation Department cost 2,000,000 roubles in 1913. It included chiefly the study of about 5,000,000 deciatines colonised or to be colonised, from the point of view of the water supply, the sinking of 2,116 wells in various colonies and the construction of 24 reservoirs for irrigation purposes, and finally in the establishment of a large system of canals for drainage or irrigation of areas to be colonised.

Let us here observe that the work of road construction as well as of irrigation, carried out at the suggestion of the General Colonisation Department, represents comparatively only a very small portion of the work of this class carried out in the colonisation areas. The principal part is taken by the State, in so far as the great lines of communication are concerned, and the Land Improvement Department, as regards hydraulic engineering work of general interest, and to the Colonisation Department is left only the essentially local work, exclusively intended to meet the requirements of the areas under its control.

The special credit for deforestation and extirpation of plants in the agricultural colonies in the " taiga " region only dates from the year 1912. In the year with which we are concerned it was used for the clearing of larger areas at an average rate of 143 roubles per deciatine. Work of this nature has been for the most part (58 %) done by the population itself, under the guidance of the employees of the General Colonisation Department. It is only in colonies, where the population is not yet sufficient, that it has been altogether carried out by workmen employed by the General Department and at its expense (42 % of the areas cleared). To hasten and facilitate the deforestation of the agricultural colonies of the " taiga " districts in the provinces of the Amur and the Pacific coast, the General Department in 1913 established three large sawmills in those districts. A large workshop for manufacture of forestry produce generally has also been established in the Province of Irkutsk.

§ 5. Measures for the welfare of the colonists.

Among the measures for the advancement of the material, moral and intellectual welfare of the colonists, we must in the first place mention those

(1) The Russian verst is equal to 1.067 km.

the object of which is the organization of a sufficient and regular sanitary service in the colonisation areas.

The special credit granted for this purpose increases annually in very notable proportion. In 1913, for example, it amounted to 4,732,000 roubles, exceeding the amount for 1912 by 287,000 roubles. The chief lines along which colonisation penetrates being now provided with a comparatively satisfactory sanitary service, attempt is being made to extend the same to regions more remote from these lines. Thus, it is exclusively in remote regions that the 20 new medical stations instituted in 1913 have been established. With these included, the medical service for the whole colonisation area of Siberia on January 1st., 1914, consisted of 140 doctors and 630 health officers at 445 medical stations.

Further to encourage and facilitate the recruiting of this staff, which is now a very difficult matter, a law of June 28th., 1912, instituted special bursaries to enable young Siberians, or, in default of them, young people of any part of the Empire, to attend the university courses or other schools of medicine free of charge, on condition, of course, of serving a certain time in Siberia, after they have obtained their diplomas. The total amount of these bursaries in 1913 came to 12,600 roubles.

With the object of facilitating as far as possible the establishment of the colonists, always a very expensive matter, above all in countries so remote and so destitute of good means of communication, a whole system of loans for initial establishment on exceptionally favourable conditions has been instituted. In 1913 loans of this kind had been granted to 33,485 families, 62 % of all those that had crossed the Urals in the period in question. The total amount of these 33,485 loans was 4,260,801 roubles, giving an average of a little more than 127 roubles per loan. If to the above amount we add that of the loans granted in a similar way to the colonists who had arrived in the country before the commencement of the year, we obtain a general total for all loans for initial establishment in 1913, of 7,768,670 roubles or about 20,000,000 francs.

In addition to the measures we have spoken of, the General Colonisation Department assigns, either under the form of loans on favourable terms or under that mainly of subsidies properly so called, considerable sums for the foundation and maintenance of institutions for the satisfaction of the moral and intellectual requirements of the colonists. The total amount of these sums has increased year by year: being 613,965 roubles in 1909, 879,935 roubles in 1910, 899,020 roubles in 1911, 1,888,370 roubles in 1912, and 2,574,581 roubles in 1913.

Most of this money is generally spent on the construction and maintenance of churches and schools. In 1913, for example, the General Colonisation Department assigned for the purpose 1,344,638, roubles which, however, was only about 61 % of the total amount spent in the year on Churches and Schools. The rest was supplied by contributions made for the same end by the Holy Synod, amounting to 354,700 roubles, the Department of Public Education, amounting to 411,278 roubles, the local administrations, amounting to 72,700 and, finally, various institutions of public utility and

many private individuals, coming altogether to 16,322 roubles. However, no account is taken in this list of the amounts granted in 1913 by the Holy Synod for the special object of the maintenance of the clergy and servants of 125 parish churches and chapels built in Siberia in 1912.

With these abundant subventions from public and private sources it was possible to build in the whole of Transural Russia, in the year with which we are concerned alone, 169 churches, 67 large and 159 small chapels, 83 elementary schools dependent on the clergy and conducted by them, and, finally. 510 public schools dependent on the Department of Public Education.

§ 6. Various measures for the extension of colonisation.

In 1913 the development ot agriculture properly so called was assisted by the grant of subsidies of a total amount of 246,348 roubles. These subsidies were given either for the establishment of model farms, or for the encouragement of the introduction of new crops or improved methods of farming.

Desiring to encourage the tendency, which has become marked from year to year, of the older colonists to pass voluntarily from the system of collective property held by the "mir" to that of individual ownership and to facilitate the work of readjustment necessitated by the change, the General Colonisation Department placed at the free disposal of the colonists a whole staff of surveyors and experts instructed either simply to direct and supervise the work done by the peasants themselves, or, at their request, to carry it out for them at the expense of the State. The expenditure in this connection amounted in 1913 to 983,645 roubles.

By way of a preliminary study of the regions not yet included in the colonisation areas, fifteen scientific expeditions in 1913 explored a total area of 25,000,000 deciatines (27.500,000 ha. or nearly as much as the entire area of Italy), ascertaining that about one fifth of the area thus studied was adapted for profitable agricultural colonisation.

One of the most effective measures taken by the General Colonisation Department, with a view to the encouragement of the extension of modern methods of farming among the colonists, was the institution, in all the most important centres of the colonisation areas, of government storehouses for the provision of the local population with agricultural machinery and implements at low prices, as well as with chemical manure, tested seed, and other farm requisites of the first necessity. On January 1st., 1913, the total number of the storehouses of this kind was 253. During the year it increased to 277. And the work of the official storehouses was further completed by an agreement entered into between the General Colonisation Department and the various local credit societies, in accordance with which the latter undertook to do the work of the official agricultural machinery and produce storehouses in all places where there were none of these latter.

The total amount purchased by the local population from these storehouses in 1913, 7,500,000 roubles, was less than in the preceding year, but this purely accidental decrease was due primarily to the bad harvest of hay in 1913. This is seen from the fact that the decrease was only in the purchase of mowing machines, whilst in the case of all other machines, as well as in that of seeds and chemical manure, there was, on the contrary, a considerable increase both in the quantity purchased and the amount. Let us also observe that the carefully organized competition of the Local Credit Societies has necessarily had a certain effect on the business of the official Storehouses (1)

Let us finally say that in 1913 the sphere of action of the agricultural storehouses of the General Colonisation Department was considerably extended by their being entrusted with the work of constructing and administering the elevators, the institution of which in various places in the province of Tobolsk and the territory of Turgaisk was decreed, the expenses to be paid out of the special State fund.

Among the other measures adopted by the General Colonisation Department for the welfare of the colonists, one of the most beneficent was the institution in the provinces of the Amur and the Pacific coast, where private commerce has as yet made very little progress, of a certain number of warehouses for the provision of the population of those remote regions with the articles of greatest importance for their every day life. Placed, at the beginning of 1910 under the management and supervision of the State Agricultural Storehouses Department, these warehouses have rendered invaluable services, while their business from a commercial point of view has been excellent. In 1913 there were 43 of them and the total amount of their sales came to nearly 1,000,000 roubles or 140,000 roubles more than in the year before, although there was no increase in the number of warehouses in 1913.

That year was also characterised by a most remarkable increase in the forestry warehouses established by the General Colonisation Department in the most thickly wooded districts of Siberia. This was due to the annually increasing demand of the colonists in the steppes for wood for building purposes, as in the steppes there is no wood at all. In 1912 the total amount of the various kinds of produce sold by the forestry warehouses was 532,000 roubles, giving a net profit of 59,000 roubles. In 1913 the amount of the sales increased to 1,113,000 roubles and that of the net profit to 150,000 roubles.

Let us observe that this increased activity in the exploitation of forests has largely benefited the colonists in the neighbourhood of the warehouses. Those of the forest district of Tarsk, to give only one example, gained as labourers in the service of the warehouses 144,000 roubles altogether, or 49,000 roubles more than in the preceding year.

(1) The statistics at our disposal, unfortunately, give no information in regard to the business done by the credit societies in this department.

At the beginning of 1913, the forestry warehouses of Siberia had only one machine sawmill, at Omsk. In the course of the year a second was completed at Akmolinsk. It was already working in the last four months of the period. A third sawmill, also in the Akmolinsk district, was nearly completed. Finally, in the Government of Irkutsk the building of a large workshop has been commenced. It will serve for the most various branches of wood manufacture. It is to be foreseen that these buildings, all due to the initiative of the General Colonisation Department, will contribute to the further increase of the utilisation of the inexhaustible wealth of the Siberian forests.

Partly to make up for the total lack of building material in some regions and partly to encourage the colonists in the use of building material of a less inflammable nature than wood, the General Department founded three large tile works in Siberia between 1910 and 1912. In 1913 it built two more, both capable of producing 600,000,000 tiles a year. The effect of these tile works has been considerable, as appears from the fact that in 1913 they sold more than 1,000,000,000 tiles or more than twice the amount sold in the preceding year.

§ 7. Statistical studies and administration.

In 1913, as in previous years, the General Department devoted considerable attention to the preparation of detailed statistics of colonisation. In this field quite special attention was given to the distribution of land according to the nature and quality of the soil, the kind of tenure and crops, as statistics of this kind are specially important for the preliminary work of land organisation and readjustment.

In regard to agricultural statistics properly so called, let us mention an important modification in the organization of the collection of the statistics. Abandoning the method hitherto followed of collecting them with the assistance of the local authorities, the General Colonisation Department has decided henceforth to entrust very numerous special correspondents, engaged by it even in the remotest hamlets, with the duty of informing it by means of answers to lists of questions specially drawn up by the Department itself.

In the year with which we are concerned, the General Department succeeded in satisfactorily completing a very extensive statistical study, on the land of the Semiryetchensk Territory and the provinces of Turkestan proper. The practical results of this work were of the greatest importance. Amongst other things it was ascertained that a scientific distribution of these vast areas, while leaving the Kirghiz natives free use of the whole extent of land they can reasonably require for their nomadic life, would still place at the disposal of the State an area of 1,652,000 deciatines (1,670,000 hectares) of cultivable land of the best quality, which would form a very valuable addition to the quantity of land fit for colonisation.

Let us further note that the sphere of action of the general statistical service of the Empire, which up to now did not include Transural Russia, was extended in 1913, by way of trial to the six Siberian provinces of Turgaisk, Akmolinsk, Tobolsk, Yeniseisk, Tomsk and Irkutsk. The results obtained have been most satisfactory and such as encourage the expectation that there will be a further extension of the field of this important service so as to include in it all the provinces of Russia in Asia.

In spite of the constant increase of the activity of the General Colonisation Department it has been able to keep the expenditure for its internal administration remarkably low. Compared with that of the previous year, the expenditure for 1913 showed only an increase of 35,000 roubles. And this increase even was entirely due to two undertakings of a strictly occasional and extraordinary nature: one, the building at a cost of 15,000 roubles of an office for the local Colonisation Department in the Amur Province, and the other a contribution of 20,000 roubles, towards the completion and printing of the splendid " Atlas of Russia in Asia ", published in 1914, under the auspices of the General Department.

The space at our disposal does not allow of our giving details of the expenditure on the work of the General Department that is to say on colonisation itself. Let us confine ourselves to the statement that in 1913 it reached the total amount of 27,284,323 roubles (72,285,000 frs.), or 1,022,705 roubles more than in the preceding year.

§ 8. Immigration to transural russia in 1913.

As above said the year 1913 was characterised by avery considerable increase in the total number of immigrants to the various provinces of Transural Russia. From 259,000 in 1912, the total registered at the two central stations of Cheliabinsk and Sysrinsk increased in 1913 to 327,430, that is by 26.25 %.

This increase is largely due to a renewal of the movement in the direction of emigration to Siberia among the inhabitants of the Agricultural provinces of Southern European Russia, while the emigration from these provinces had been considerably reduced, owing to the bad harvest of 1911 in the westernmost provinces of Transural Russia. In fact the largest contingents of emigrants to Siberia were furnished by the following provinces of European Russia; Kherson (17,700 persons), Yekaterinoslav (16,700), Poltava (12,800), Taurida (10,800), Vyatka (10,700), Tambov (10,500), Voronesh (10,300) and Kharkov (10,000). This large contribution of the provinces of the South of the Empire meant an exceptionally large number of colonists for the steppe region of Russia in Asia in 1913, as the natural characteristics of that region present resemblances with the southern provinces of European Russia which render it particularly adapted for colonisation by their inhabitants.

The districts which, after the Steppe region, attracted the largest number of emigrants in 1913, were the provinces of Tobolsk and of the

Amur. One of the principal reasons for the preference for these provinces was doubtless the construction in the first of the Omsk railway, and, in the second, of the important Amur railway, both of which undertakings will be of the greatest service for the economic development of the countries through which they pass, while the construction of the railways has itself given employment to thousands of immigrants.

One of the characteristic features of the immigration of the year 1913 was the very considerable decrease in the number of " independent " immigrants, those colonists, that is to say, who come to Siberia on their own initiative, with no plan for their establishment made in advance, without profiting by the facilities accorded by the Government to the regular colonists and, most frequently, without sufficient funds. The colonists of this class, the influx of whom into regions, in which the lack of unoccupied land is beginning to make itself felt, greatly hinders systematic colonisation on the part of the State, and who often can find neither land to cultivate nor employment, formed in 1912 45.3 % of the total number of immigrants. In 1913, however, the proportion decreased to 35 %.

The number of those who, being discouraged, for one reason or another renounced the colonisation of Asia to return to Russia in Europe, has also considerably diminished. In 1912 they were still 34,783 ; in 1913, on the other hand, there were in all only 22,743 registered.

Let us further add that in the figures given above no account is taken of about 35,000 " temporary " emigrants, for the most part agricultural, who, profiting by the tariff and other facilities granted to immigrant colonists and extended by the Government to seasonal labourers, emigrate to various provinces of Transural Russia, either to seek employment at harvest time or in the various works of road or railway construction.

Before going further, let us give an idea of the general principles laid down to ensure the regular development of the colonisation of the Transural Provinces and above all of the recruiting of colonists on systematic lines. On the one hand, attempt has been made as far as possible to reduce the possibilities of disappointment of the colonists owing to their starting with illusions in regard to the conditions of life in Siberia, or without sufficient money or the qualities required for success in their new life in these distant regions. On the other hand, an attempt has been made to give the General Department founded for the purposes the means of directing, regulating and systemising the colonisation. To attain these two ends the following systems have been established, accurate conformity with which will alone give intending colonists a right to all the facilities granted by the Government to the emigrants.

When families or groups of independent persons desire to establish themselves in Siberia, they elect from among their members a " chodok " (delegate messenger, from the Russian verb *choditj*, to go, to betake oneself some where), whose first care is to obtain all the personal and economic information required in regard to his electors in accordance with the instructions contained in a Vademecum, abundant copies of which are annually issued by the General Colonisation Department. When this is

done, the " chodok " puts himself in relation with the local authorities of his place of residence, who instruct and advise him in every way that may be profitable for him. They also furnish him with a special passport for a journey under conditions of exceptional favour to the place agreed upon for the projected settlement in Siberia (1). Arrived at his destination, the chodok studies the local conditions quite at his ease, passing if need be from one place to another, always assisted by the local agents of the General Colonisation Department, until he finds what suits him. Then, he secures, in agreement with the local authorities, the number of individual colonisation lots he requires (2), after which he is free, either to return to Europe to seek his electors, or more simply to send them the note of the lots selected, with which, they, in their turn, may undertake the long journey under the favourable conditions above mentioned. The engagement of the lots by the chodok is valid for a year or two, which enables the future colonists tranquilly to settle their affairs in the old country without any hurry, before starting for their new home.

Naturally, no one is obliged to follow the above course. Many peasants who have already friends or acquaintances in Siberia get them to secure lots for them and go at once to the spot (3). And we have seen above that the number of absolutely independent immigrants who come at their own risk with no plan settled in advance and insufficient preparation is still considerable. But of course the Government, very justly desiring to limit as far as possible this last class of irregular immigrants it finds very em-

(1) To give the reader an idea of the really exceptionally cheap conditions granted to the " chodoks " and the emigrants to Siberia, according to the rules laid down for official colonisation, we give below, by way of example, the railway rates from the town of Minsk to various places in Siberia.

Place of Destination	Distance in Versts	Price of Ticket in Roubles	Charge for Extra Luggage per poud (16 ½ kg)
Cheliabinsk	2,605	4.05	0.26
Omsk	3,351	4.95	0.34
Krasnoyarsk	4,645	6.85	0.46
Irkutsk	5,653	8.25	0.57
Sryetinsk	6,991	10.15	0.70
Vladivostok	8,497	13.47	0.85
Chabarowsk	9,015	14.17	0.90

Let us add that, for the convenience of immigrants, 58 special restaurant cars have been arranged, in which the colonists receive on their journey a warm breakfast for the ridiculously low figure of 4 kopeks (10 ½ centimes), although the cost price of this breakfast is really nearly twice as much.

(2) The individual "lot" which varies in size according to the quality of the soil in each place, is the area sufficient for an agricultural labourer to make a living out of. Every family has a right to as many lots as it contains adult male persons capable of working.

(3) They have a right to the same reduced tariff as the colonists who have secured lots through a chodok.

barrassing, only grants its support and its favour to these after it has, in the first place, provided for the welfare of the two other classes, infinitely more useful and more profitable from the point of view of the systematic and scientific colonisation of the country.

In 1913 the total number of individual colonisation lots secured for the future colonists was 258,882 or 12,370 more than in the previous year. These 258,882 lots have been assigned to 78,792 families. Of these families 66 % or a total number of 166,842 men capable of working had had their lots (that is to say so many individual colonisation lots), secured by "chodoks", 16 % or 40,012 adults had secured them themselves or through colonists already established, and finally 18 % (46,028) adults were individuals who came to Siberia on chance and at last were able to establish themselves.

The proportion of regular colonists who secure their lots through chodoks increases from year to year. In 1911 38.5 % were secured in this way; the next year the number was 54.7 % and as we have just seen, it became 66 % in 1913.

The number of families actually established on the colonisation holdings, either secured in advance or selected after their arrival on the spot, reached in 1913 the total figure of 48,608, and included altogether 137,394 adult men fit for work. Of these 48,608 families, 22,509 containing 66,487 adults, established themselves on lots secured by chodoks, 13,007, containing 35,218 men, occupied lots chosen by themselves, and, finally, 13,092, containing 35,689 adults, consisted of independent individuals established on the unoccupied available land.

In regard to the system of establishment of these families, it is interesting to observe that 43,974 of them, or altogether 125,114 adults established themselves in villages and agricultural or other colonies, whilst 4,634 others, containing altogether 12,280 working men, have preferred to settle on land absolutely isolated and independent. This last class is becoming more and more common, although it is still far from being so general as establishment in colonies, which is more agreeable to the habits of the Russian peasant, and nearer to the traditional system of farming in the ancient "mir".

To the colonists of whom we have just spoken, we must add 5,550 families (or 15,503 adult men), who in the course of the year we are considering were received as members of the collective colonies already established in various regions, 371 families settled as lessees on land to be sold, 179 families in the newly irrigated districts of the "Hunger Steppe", and, finally, 2,063 families who have established their homes in the special colonies along the railway lines.

Taking into consideration all these groups, we find that the general total of the number of families established in Transural Russia, in 1913 alone was 56,771 with about 360,000 members in all.

Finally, the general impression received from the study of the official reports summarised above is that the work of home colonisation in Transural Russia is constantly progressing, and with regularity and success. To the

unreflecting throng of the early years, the inevitable result of which was, on the one hand, that the General Colonisation Department was necessarily unable to cope with it and on the other the no less necessary disillusion of thousands of colonists, has succeeded a progressive and properly regulated evolution of immigration under the management of the State. The more the disorderly crowd of independent immigrants diminishes — and we have seen that it is diminishing gradually and continuously — and the more the Russian peasant trusts to the advice of the competent authorities, the more he will find in Siberia the conditions he has expected. Without doubt, the final object is far from being attained as yet, but from year to year it becomes more evident that the General Colonisation Department is following the right course and that, in the not very remote future, the rich provinces of Transural Russia will be able to offer a piece of land of his own, to possess which is the dream of every agricultural labourer, to anyone in European Russia who possesses no land.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO AGRICULTURAL ECONOMY IN GENERAL.

ARGENTINA.

MIATELO (HUGO): EL HOGAR AGRÍCOLA (*The Rural Household*). "*Boletín Mensual del Museo Social Argentino*", Nos. 35 and 36. pp. 541-581. Buenos Aires, November and December, 1914.

Amadeo Tomás, editor of the "Boletín Mensual del Museo Social Argentino," has begun an active campaign for the initiation as early as possible in the country of a movement for the education of farmers' wives by means of a special educational establishment. With this object, he recently opened an enquiry and the above essay was written by Señor Miatello, regional agricultural engineer of Mercedes, as his contribution towards the solution of the problem.

The information contained in its pages is exclusively derived from the author's personal observation of rural life in all its aspects in the region of Mercedes. He has limited his interesting study to the farmhouses of the small landowners and tenant farmers, and he gives valuable information in regard to the dwellings, food, labour, hygienic conditions etc., considering especially the position of the women, what it is and what it should be in the rural household and ending with a recognition of the advisability of founding an educational institute to raise the rural and intellectual level of women so that they may be able in suitable manner to fulfil their vocations as wives and mothers and helpmeets of the small farmers in their homes.

SWEDEN.

ARBETARTILLGÅNG, ARBETSTID OCH ARBETSLÖN INOM SVERIGES JORDBRUK ÅR 1913 (*Supply of Farm Labour in proportion to Demand, Hours of Work and Wages on Swedish Farms*). Statistical Yearbook (third Year), published by the Social Affairs Division, in the Serie "Statistique officielle de la Suède". Stockholm, 1914. Nordstedt and Son, 8vo. pp. 120

The Swedish Social Affairs Division has just published the third volume of its interesting statistical Yearbook concerned with the labour supply, the length of the working day and the wages on Swedish farms. The principal conclusions arrived at are as follows:

The general and increasing deficiency of labour in proportion to the requirements of Swedish agriculture, observed at the end of the last century is tending to increase still further. In 1913 the available agricultural labour only exceeded the limits of what was strictly indispensable in 4.9 % of all the communes. In 61.6 % of the communes it might be considered as sufficient for the requirements. Everywhere else, that is in 32.9 % of all the communes of the country it was clearly insufficient. In other words in that year, almost one third of the Kingdom suffered from a more or less serious lack of agricultural labourers. In 1912 the proportion was less unsatisfactory; the percentage of communes with an insufficient labour supply was then only 31.9.

The detailed statistics for the provinces show that it is generally in communes in which wages are lowest that the deficiency is most felt. To this rule, natural enough in itself, there are, however, very many exceptions, due to various circumstances of a purely local caracter.

Wages vary considerably according to the district and the kind of work. The average wages of men farm servants, for example, for the whole Kingdom was 326 Swedish crowns (1 cr. = 1.46 fr.) per ann., with board and lodging in addition, the board being calculated at 357 crowns a year on an average. For women the figures were: wages, 189 crowns, lodging and board, the latter calculated at 288 crs. per ann. In the most northerly province, Norrland, these two classes of farm servants receive every year also some clothing.

The average wages of farm managers are higher, generally 329 crs. in cash, to which is to be added 730 crowns in kind (including lodging reckoned at 64 crs. per ann.).

The permanent day labourer receives on an average 2.54 crs. a day in summer and 1.94 crs. a day in winter. When he also receives board, these figures are reduced respectively to 0.80 and 0.71 crs.

Lastly, the occasional day labourer receives on an average wages of 1.61 crs. per working day in summer and 1.07 cr. in winter. He also receives his board.

Let us further observe that a constant rise in these wages is to be noted in recent years. Thus, for example, the average wages of farm servants, calculated at 326 crs. in 1913, exceeds that given in 1912 by 8 crowns, or 2.5 % and that given in 1911 by 15 crowns or 4.8 % The proportion is nearly the same for the wages of the other classes of agricultural labourers.

Let us observe that in spite of this progressive increase in wages the price of agricultural produce on the other hand tends to fall.

The above examples will serve to show all the interest presented by the new publication of the Social Affairs Division. Let us also observe that this publication, like most of the other Swedish statistical reports, is accompanied by a summary in French, and the headings of all the tables are also translated into French, so that the yearbook can be consulted even by persons ignorant of Swedish.

RUGGERI ALFREDO, gerente responsabile.

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Part I: Co-operation and Association

AUSTRIA.

ANNUAL REPORT OF THE FEDERATION OF RURAL CONSORTIUMS OF STYRIA FOR 1913.

The Federation of the Rural Consortiums of Styria has published its Annual Report for 1913. This important publication forms the 13th. volume of the series to which it belongs. We give below the details it contains of the greatest importance for us :

The number of associated consortiums at the end of 1913 was as follows :

Rural Banks of F. W. Raiffeisen System	289
Other Kinds of Co-operative Credit Societies	2
Other Agricultural Co-operative Societies (Distributive, Production and Sale Consortiums)	81
Agricultural Associations	7
Central Corporations	5
Total Number of Associated Corporations . . .	384

The number of associated consortiums showed an increase of 4 on that for 1912 (at the beginning of 1913 the associated consortiums were 380).

As regards the number of members belonging to the individual consortiums, associations and corporations, associated in the Federation, we can give the following figures :

(1) Jahres-Bericht des Verbandes der landwirtsschaftlichen Genossenschaften in Steiermark, registrierte, Genossenschaft mit beschränkter Haftung, über das XIII. Geschäftsjahr 1913 and Jahrbuch für das landwirtschaftliche Genossenschaftswesen in Steiermark (*Report of the Federation of Rural Consortiums in Styria, Registered Limited Liability Consortium, on its Twelfth Working Year*, 1913, *and Yearbook for Rural Co-operation in Styria*) Graz, 1914, 8vo. Published by the Federation of Rural Consortiums of Styria. Pp. 70.

Number of Societies	Class	Number of Members
289	Rural Societies of Raiffeisen Lystem	37,081
2	Co-operative Credit Societies (not of Raiffeisen System)	6,866
81	Agricultural Co-operative Societies	8,434
7	Agricultural Associations	1,242
5	Central Corporations	17,950
384	Total 384 Corporations, with 71,573 Members . . .	71,573

The increase in the number of members in 1913 was 2,700 (in 1912 there were 68,873 members).

In 1913 there were 417 inspections of consortiums carried out for the part of the Federation, occupying altogether 955 days (Inspection was made compulsory by the law of June 10th., 1913. *Boll. L. Imp.* No. 133).

The Report considers the *cash* and *goods* accounts separately. The accounts of the cash department correspond with those of the Central Bank. We summarise the situation below :

Deposit Business in 1913.

The New Deposits amounted to	Crs.	4,026,536.43
The Withdrawals ,, ,, ...	,,	4,009,011.52

Credit Business in 1913.

The Credits granted amounted to	Crs.	2,152,219.54
Credits had been extinguished to the amount of	,,	2,618,286.35
The Total Business done by the Bank with its federated consortiums in 1913 amounted to	Crs.	12,806,053.82

Amount of Deposits.

On January 1st. the deposits amounted to . .	,,	8,320,575.77
,, December 31st. ,, ,, ,, ,,	,,	8,338,100.77
Increase . . .	Crs.	17,524.99

Credit Business

On January 1st., 1913, the credits were . . .	Crs.	5,952,185 —
„ December 31st., 1913 „ „ . .	„	5,486,118.17
Decrease . . .	Crs.	466,066.83
The Liquid Capital on January 1st., 1913 . . .	„	1,154,286.69
„ „ December 31st., 1913 was	„	1,581,961.28
Increase . . .	Crs.	427,674.59

The rate of interest on deposits in the first half year of 1913 was 4 ½ %, in the second half year 4 ¾ %; on credits of the rural banks, in the first half year 5 %, in the second 5 ½ %.

The reserve fund of the cash department amounted on December 31st., 1913 to 65,201.57.

The accounts for this department closed in 1913 with a credit of 834.27 crs., which was entirely swallowed up by the loss occasioned through fall in value of Government securities, again occurring in 1913. The Federation in this way lost 16,780 crs.

The Federation did a larger goods business in 1913 than in 1912. This will be seen from the following figures: it purchased for its members' account 655 truckloads of chemical manure as against 217 in 1912; 221 truckloads of grain and forage as compared with 100 in 1912; 61 ½ truckloads of sulphate of copper as against 50 in 1912; 10 of sulphur as against 2 in 1912; and 122 of coal as against 59 in 1912. In 1913 it increased its business of sale of produce for its members, selling many truckloads of oats, hay, straw, grain and potatoes for them. Altogether, the whole business done in 1913 in goods was 1,155 truckloads, or 376 more than in 1912.

The value of the goods received and forwarded in 1913 was 5,900,510.63 crs. against 4,705,413.41 crs. in 1912, thus increasing in 1913 by 1,195,097.22 crs. The general reserve fund on December 31st., 1913 was 68,237.88 crs.; that of the special reserve fund at the same date was 30,472.39 crs.

The accounts for the goods department show a prdfit of 9,621,66 crs. for 1913.

Summarising the total figures for the whole business of both Departments for 1913, we have:

Cash Department	Crs.	48,785,355.14
Goods	„	22,690,464.94
Total . . .	Crs.	71,475,820.08
In 1912 the total business done amounted to	„	63,928,234.68;
so that in 1913 there was an increase of .	Crs.	7,547,585.40

The Federation finally exerted a beneficent action in regard to the trade in native fruit, to which in recent years a considerable impetus has been given owing to this organization interesting itself in it. It has founded for the purpose a special office for the sale of fruit called "*Obstverwertungstelle*". Its object is the elimination of middlemen and the realisation of better profits for the producers with whom it puts itself into immediate contact. The office also acts as an intermediary between buyers and sellers without, however, seeking any reward for its services. The office also fixes prices by means of the purchase and sale of edible fruits and musts.

The Federation finally serves the agriculture of the country by means of another institution which tends to make the sale of horned cattle as profitable as possible (the *Viehverwertungstelle*).

This institution exerts its action either directly, or indirectly by means of consortiums founded for the purpose in various places, called "*Viehverwertungsgenossenschaften*" in the same manner and with the same intentions as those mentioned above by us in speaking of the fruit trade and the institution founded for the purpose among the members of the Federation.

UNITED STATES.

MISCELLANEOUS NEWS.

1. — THE SECOND NATIONAL CONFERENCE ON MARKETING AND FARM CREDITS. — The Second National Conference on Marketing and Farm Credits was held for the four days from April 14th to 17th, 1914, at Chicago, where the first conference of the kind (1) was held in 1913. It is to be regretted that no final report of the proceedings of the Second Conference has been published. The advance sheets which are available give only the text of the addresses delivered without any account of the discussions which followed.

The addresses themselves dealt with a large number of subjects of the highest importance and interest. Prof. T. N. Carver described the work of the Federal Rural Organisation Service; Mr. Charles J. Brand, Chief of the Office of Markets, contributed a paper upon the Market Investigations of the Federal Government; and other addresses delivered included: The Relation of the Farmer to the Trust Question, the Economic Limits of Co-operation, Proposed Rural Credit Legislation, the Activities of the Jewish Agricultural and Industrial Aid Society, and Farm Credit in Wisconsin.

The paper contributed by Mr. Samuel Untermeyer upon the Relation of the Farmer to the Trust Question called attention to one aspect of the co-operative movement in agriculture of immense importance which has not yet received the attention it deserves, namely, the position of farmers' co-operative associations under the anti-trust laws. Briefly, Mr. Untermeyer's contention is that the farmers, who have been particularly active in promoting legislation against trusts and all other forms of combination in commerce and industry, unfairly claim that they themselves shall be exempt from the provisions of the anti-trust laws. Mr. Untermeyer does not claim that industry should be released from the anti-trust legislation, or that farmers' co-operative organisations should be declared illegal and compelled to dissolve. He proposes that all agreements made, whether in agriculture, in commerce or in industry, shall be submitted to the examination of a specially created Trade Commission which shall pronounce upon the validity of all such agreements. Every business associa-

(1) See the *Bulletin* for July, 1913, at page 26.

tion, whether described as a co-operative society or as a commercial company, whether composed of bankers, of business men or of farmers, and quite without reference to the nature of the product manufactured or sold, would be submitted to the impartial examination of the Trade Commission. If approved, its legal position would be unassailable: if disallowed, it would have to reorganise in some form acceptable to the Commission.

Prof. John Graham Brooks of Harvard University contributed a paper of wide general interest upon the Economic Limits of Co-operation, in which he laid strong emphasis upon the need for efficient business organisation and management in co-operative enterprises. Mr. G. W. Simon described the work of the Jewish Agricultural and Industrial Aid Society which, in 1911, founded the first agricultural credit union in the United States. By the end of 1913 the Society had founded, and to some extent was directing, seventeen credit unions composed exclusively of farmers in the States of New York, New Jersey and Connecticut.

Among other speakers at the Conference were Dr. John Lee Coulter, who explained the provisions of the Moss-Fletcher bill which was then before Congress, and Prof. B. H. Hibbard, who described the situation with regard to agricultural credit facilities in Wisconsin.

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2. — THE EDUCATIONAL AID FUND OF THE MASSACHUSETTS STATE GRANGE. — In 1912, the Massachusetts State Grange established a small fund known as the Educational Aid Fund, to be devoted to making loans of moderate amount to young people to enable them to continue their education in a high school or university. The State Grange, in starting the movement, alloted $ 1,500 for the purpose in view, upon condition that an equal amount was subscribed by the subordinate Granges in the State. The amount required was promptly subscribed, and since then the subordinate Granges have provided the whole amount each year.

A nominal rate of interest of 2 per cent. is charged upon the loans, and the students helped from the fund, who must be members of the Grange, are given ample time in which to repay their loans, — repayment beginning only when they have finished their academic training and are in receipt of a salary. In the first year, loans were made to 14 students ; in the second year, to 25, and in the third year, (1914), to 34, making a total of 73 young people helped, the majority of whom, without such help would probably never have obtained anything in the way of a liberal education. A few of the students who undertook only a two year's college course have already begun to repay their loans ; but, as most of the students assisted are engaged upon four year courses, the fund will not be able to count upon repayment instalments as a source of income for some time to come. During 1914, the subordinate Granges contributed $ 1,644 to the Fund and there were, in addition, some contributions from individual members. To carry on the work during the present year, at least

$3,000 are needed, and it is proposed by the Board of Trustees of the Fund that the amount be raised among the subordinate Granges, each Grange contributing in proportion to its membership at the rate of eight cents per member.

The kind of education which is being promoted by the Fund is by no means all of the same type. Of the students making use of the Fund, eleven are attending Massachusetts Agricultural College; eight are in business colleges; eight are in normal colleges; four are in universities; and two are attending courses in technical high schools. One, even, is attending a school of oratory.

The example set by Massachusetts has been followed by Connecticut, Missouri and California, and as the utility of the movement is already widely recognised, it is probable that in a few years the Grange, in most of the States, will be giving financial help to the younger members of the Order who are anxious to continue their education beyond the limits of the ordinary public schools.

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3. — FARMERS' ELEVATORS IN MINNESOTA. — Under the terms of a recently passed law the Minnesota State University has been charged with the work of collecting and disseminating information relating to co-operative associations of all kinds in the State. The work has been entrusted to the Division of Agricultural Economics of the University College of Agriculture, and though the returns are not complete, the study of farmers' elevators has proceeded far enough to enable the University to publish some interesting figures relating to the number and the varied activities of farmers' elevator companies.

There are, at the present time, 270 farmers' elevators in Minnesota, with an aggregate membership of 34,500, an average of 128 members to a company. The aggregate volume of business of these companies may be estimated, approximately, at $ 24,000,000 per annum, of which about $ 22,000,000 represents the value of grain marketed and $ 2,000,000 the value of supplies purchased for members. Out of 239 companies which furnished information with regard to their transactions other than the selling of grain, 63 per cent. buy coal, 41 per cent. buy cattle feeds, 40 per cent. buy flour, and 35 per cent. buy binder twine. Among other commodities bought on behalf of the members are cement, drainage - tiles, farm machinery, seeds, salt, oil, lumber and wire fencing. All but 41 of the 239 companies dealt in some commodity other than grain.

In 90 per cent. of the companies in Minnesota the farmers hold practically the whole of the stock. In all the companies, farmers own a majority of the stock. In 94 per cent. of them, members are entitled to one vote only, irrespective of the number of shares they may hold. In five-sixths of them a limit is placed upon the number of shares that any one person may hold. Twenty-six per cent. limit the amount of dividend that may

be paid on capital, and distribute the surplus as patronage dividend in proportion to the value of the business transacted by each member with the company.

From these figures it will be seen that the elevator companies transact a very considerable business each year. Nevertheless it is admitted that their position upon the whole leaves much to be desired. A large number of them, according to the reports received by the University, lost money upon their transactions in 1913. One-fifth of them admit that their method of keeping accounts is unsatisfactory, and the investigators are of the opinion that the proportion is really much higher. The University intends to form classes for the instruction of elevator managers in the principles of correct book-keeping, and will, at the same time, assist companies which are in difficulties to reorganise their methods of doing business.

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4. — ANNUAL REPORT OF THE CALIFORNIA ASSOCIATED RAISIN COMPANY. — The financial report of the Associated Raisin Company, presented to the shareholders at the general meeting held in Fresno on February 10th, 1915, shows the position of the Company at that date, as follows:

Assets

Raisins on hand	$ 2.694,757.47
Bills receivable	266,868.08
Accounts receivable	279,385.16
Unpaid subscriptions	11,369.39
Cash on hand	63,819.14
Associated warehouse stock	134,200.00
Inventory: Sundries	12,772.53
Branch office advance account	1,234.63
	$ 3,464,406.40

Liabilities

Bills payable	$ 1,534,128.43
Due to growers for raisins delivered	75,814.01
General accounts payable	168,069.23
	$ 1,778,011.67
Capital	$ 1,051,300.00
Growers' reserve fund	427,351.23
Tare correction account	38,567.54
Insurance fund	35,927.21
Undivided profits	133,248.75
	$ 3,464,406.40

The manager, in presenting the report, stated that the Company sold during the year, about 67,000 tons of fruit, and had on hand in February, 1915, some 35,000 tons still unsold. It built, during 1914, two new warehouses, fully equipped for stemming and packing raisins, and purchased the site for a third warehouse which it is proposed to build without loss

of time. In addition, the Company acquired the plant and trade-mark of the Fresno Home Packing Company, and a one-fifth interest in the Pacific Coast Seeded Raisin Company. At the date of the general meeting it was negotiating for the purchase of the entire plant of two other companies. In the opinion of the manager the credit of the company was better than at the beginning of 1914, and the prospect for the future distinctly encouraging.

In previous numbers of the *Bulletin* (1) we have referred to the various attempts that have been made from time to time to unite the growers of raisin grapes in a single co-operative selling agency. These attempts have invariably failed, but there seems to be some reason to believe that the California Associated Raisin Company will achieve more than a temporary success in the solution of the problem.

(1) October, 1913, page 27, and January, 1915, page 21.

FRANCE.

THE WORK OF THE MUTUAL AGRICULTURAL CREDIT BANKS IN 1913.

OFFICIAL SOURCE:

RAPPORT ADRESSÉ PAR LE MINISTRE DE L'AGRICULTURE au Président de la République Française sur le fonctionnement des Caisses de Crédit Agricole Mutuel et les résultats obtenus (*Report Presented by the Minister of Agriculture to the President of the French Republic on the Work of the Mutual Agricultural Credit Banks and the Results obtained in* 1913).

On February 25th., 1915, the Minister of Agriculture published his report on the work of the Mutual Agricultural Credit Banks and the Results obtained by them for 1913.

As in 1912, so also at the end of 1913 there were eight regional banks, that had received advances from the Government.

The amount of these advances, which was, after deduction of repayments, on December 31st., 1912, 81,229,181.97 fr., was increased by 14,780,228.51 fr. in 1913 and, on the other hand, reduced by repayments of the total amount of 2,105,145,34 fr. Consequently, the total amount of the advances at the disposal of the regional banks on December 31st., 1913 was 93,903,365.14 fr.

We show below in detail the amounts granted year by year to the regional banks in accordance with the laws of 1899, 1906 and 1910.

Advances Granted to the Regional Banks from the First Beginnings of the Work of the Agricultural Credit Institution up to January 1st., 1914.

Years	Law of 1899 (Short Term Individual Credit)	Law of 1906 (Long Term Credit to Co-operative Societies)	Law of 1910 (Long Term Individual Credit)
1900	612,250	»	»
1901	2,611,210	»	»
1902	3,654,674	»	»
1903	1,859,262	»	»
1904	5,437,969	»	»
1905	5,430,301	»	»
1906	3,717,530	»	»
1907	5,705,690	»	»
1908	7,786,392	964,325	»
1909	8,666,840	1,158,450	»
1910	6,773,550	2,202,265	2,329,000
1911	10,483,350	2,384,280	4,737,000
1912	6,315,750	2,587,874	5,121,800
1913	4,469,700	3,890,940	3,424,000
	73,524,468	13,188,134	15,621,800
Total	102,334,402		

The amount of the subscribed capital of the regional banks on December 31st., 1913, was 25,070,087 frs., 23,220,305 frs. being paid up. The share of the local banks in this paid up capital amounted to 15,525,711 frs.

For short terms business the regional banks had available in 1913:

Their Paid up Capital	23,220,305
Their Reserve Funds amounting at the end of 1912 to	6,212,976
Government Advances	67,541,782
Total	96,975,063

In addition to this, some regional banks received from their members deposits, the average amount of which during the year was 3,815,000 frs.

The deposits received by the regional banks amounted in 1913 to 12,341,558 frs. The total amount in deposit on December 31st., was 4,412,240 frs.

In the following table, the business done by the regional banks in 1912 and 1913 is shown in parallel columns.

Particulars	1912	1913	Increase in 1913
Bills Discounted and Renewed	182,618,801	208,857,078	+ 26,238,277
Direct Loans to Local Banks for Working Capital	1,434,760	543,731	— 891,029
Avances under form of Discount	84,691,321	94,533,507	+ 9,842,186
Amounts Outstanding at End of Previous Year:			
(*a*) Loans 59,831,673			
(*b*) Debit Balance of Local Banks 539,408	60,371,081	63,927,419	+ 3,556,338
Total . . .	146,497,162	159,004,657	+ 12,507,495
Repayments Received	82,569,743	86,991,280	+ 4,421,537
Amounts Outstanding on December 31st. .	63,927,419	72,013,377	+ 8,085,958

The amount of the short term collective loans to agricultural syndicates, co-operative and mutual insurance societies, may be estimated at about 18,000,000 fr.

The general expenditure of all the regional institutions was 592,300 frs. as against 512,032 fr. in 1912, showing, therefore, an increase of 80,268 frs. This total with the amount of the short term operations (bills discounted and renewed), the advances to local banks for working fund in 1913, and the long term collective and individual loans granted in the same year, gives a total business done amounting in round numbers to 217,000,000 frs., of which the expenditure is on an average 0.27 %.

The reserve funds increased from 6,212,976 frs. in 1912 to 8,000,785 frs. in 1913 or by 1,787,809.

In the following table the business of the local banks in the year 1912 and 1913 is compared :

Particulars	1912	1913	Increase in 1913
Number of Local Banks	4,204	4533	+ 329
Number of Members	215,695	236,860	+ 21,165
	Fr.	Fr.	Fr.
Subscribed Capital	20,507,931	22,509,092	+ 2,001,161
Paid up Capital	13,521,553	14,934,753	+ 1,413,200
New Short Term Loans Granted in the Year (Exclusive of Renewals)	85,492,170	96,532,078	+ 11,039,908
Amounts Outstanding on January 1st.:			
(a) Loans 61,599,883 / (b) Bills to be Cashed and Miscellaneous Bills 943,277	62,543,160	65,765,936	+ 3,222,776
Total	148,035,330	162,298,014	+ 14,262,684
Repayments Received	82,269,394	84,730,878	+ 5,461,484
Loans in Course on December 31st.	65,765,936	74,567,136	+ 8,801,200

As we see, there is a increase in the number of local banks and of their members as well as of the loans granted in the year.

On the other hand, the amount of the reserves of the local banks only increased from 2,831,966 frs. in 1912 to 2,878,881 frs. in 1913, that is only by 46,915 fr.

Most of the co-operative societies for transformation and sale of agricultural produce that are founded or that make changes in their installation ask to benefit by the provisions of the law of December 29th., 1906, on long term advances; 103 of these societies in 1913 obtained advances amounting altogether to 3,890,940 frs.

In 1913 most of the co-operative societies continued the repayment of their instalments of the advances received by them.

The situation for the last two years was as follows:

Particulars	at the End of 1912	at the End of 1913
Co-operative Societies that had Received Advances.	290	382
Paid up Capital	frs. 5,458,731.50	frs. 7,519,588.50
Advances Granted	» 9,297,194. »	» 13,188,134. »
Number of Members	36,762	48,431
These Societies were classified, according to their objects, as follows :		
Dairies and Butter Factories	50	55
Fruitières and Cheese Dairies	101	124
Vine-Growers' Societies	41	60
Olive Growers' Societies	11	14
Vine and Olive Growers' Societies	5	5
Distilleries	21	29
Starch Factories	2	2
Societies for Utilisation of Material	45	69
Miscellaneous Societies	14	24
Total	290	382

The Law of March 19th., 1910, on long term individual credit was acted on by 88 out of 89 banks that had received special advances. The advances at the disposal of the regional banks increased in amount from 10,774,760.78 frs. to 14,528,488.14 frs. Out of this sum, in the course of 1913, 1,035 new loans for an amount of 4,033,931 frs. were granted, on an average about 4,000 frs. per loan. In this way, since the passing of the law, 3,098 heads of business have received long term loans amounting to 11,726,444 frs.

Such are the principal results obtained by the agricultural mutual credit banks in 1913. They show the annually increasing vitality of the groups based on the principle of professional solidarity. Let us add here that the information received in regard to the work of the regional banks in the second half year of 1914 is such as to inspire full confidence in the future of mutual agricultural credit.

On August 19th., 1914, in fact, the Minister of Agriculture sent the presidents of the regional banks a circular asking them to take all the necessary steps to assure the working of the agricultural mutual credit banks during the war.

Generally speaking, the business of the credit banks has considerably decreased since the first of August, as at that date not only most of

the members of the local banks but also almost all the secretaries and treasurers were called under arms. However, it has been possible in a certain number of departments to organize a service of loans to the wives of those on military service, in accordance with the advice of the Government. It is also interesting to observe that in the wine growing districts and even in Champagne, the agricultural mutual credit banks have continued to be of the greatest service to the wine farmers.

Thus the Agricultural Department has had the satisfaction of inducing the Bank of France to open an immediate credit to the Regional Bank of Rheims, so as to facilitate for the Champagne viticulturists the payment of their labourers, the hire of means of transport and the purchase of vats until ordinary commercial business can be resumed.

On the other hand, on the application of the Agricultural Department, a special provision was inserted in the Decree of September 27th., (Moratorium), authorising the regional and local mutual agricultural credit banks, precisely in the same way as the agricultural mutual insurance societies, to withdraw the whole amount of the funds deposited by them in the banks or credit establishments.

Finally, the Distribution Commission assembled at Bordeaux, has given it as its opinion that the Minister of Agriculture may, in the interval between its quarterly meetings, as a matter of urgency, grant all the advances he recognises to have exceptional importance and to be based on very serious considerations.

RUSSIA.

THE MUSCOVITE UNION OF CO-OPERATIVE DISTRIBUTIVE SOCIETIES AND RURAL DISTRIBUTIVE CO-OPERATION IN RUSSIA.

§ 1. The special character of distributive co-operation in Russia.

According to the proposal for the universal organisation of the statistics of agricultural co-operation drawn up by the International Institute of Agriculture, the chief characteristic common to all the different varieties of co-operative societies, of exclusively agricultural nature is the fact that they have been constituted by persons belonging to the agricultural class with the object of increasing the rent of land and the profits of agricultural enterprise (1).

In conformity with this definition now adopted almost everywhere, co-operative distributive societies are not generally considered as agricultural co-operative societies. In fact, even in those relatively rare cases where they are "constituted by persons belonging to the agricultural class" their chief business — the co-operative purchase of things necessary in every-day life, food, clothing etc. — cannot be considered as *directly* tending "to increase the rent of land, and the profits of agricultural enterprise". It is not the *farmer* they wish to reach in the peasant, but the *consumer* and above all the consumer of objects of purely personal utility.

That however does not prevent a study of distributive co-operation in the country districts being quite in its place in our Bulletin. On the one hand, in fact through the good effect it has on the peasants' general financial position, distributive co-operation is able to contribute remarkably to increase his possibilities as an agricultural producer; on the other hand, it is a very common thing to see co-operative distributive societies, founded with a view to the purchase and sale of objects of

(1) Compare *L'organisation de la statistique de la Coopération agricole dans quelques Pays* Matériaux pour aider à l'unification de la statistique de la coopération agricole (Rome, 1911. International Institute of Agriculture) Conclusions, pp. 143 et seqq.

personal utility, extending their action to include produce serving directly for the requirements of agriculture and thus becoming agricultural co-operative societies in the full sense of the expression.

If for example we take the official statistics of co-operative distributive societies in Russia (1), we find that on January 1st., 1912, out of 6,730 associations of this kind, there were not fewer than 4,716, that is 70.1 % of the whole number, placed under the head of *rural* co-operative distributive societies.

This proportion, not found anywhere else, would alone suffice to show the absolutely unique part taken by co-operative distributive societies in the economy of the country districts in the Empire of the Czars.

In a country where, even leaving out of consideration the vast solitudes of the Asiatic provinces, the density of population does not exceed 25 inhabitants per square kilometre, (2) where the distances are immense and means of communication as yet little developed, rural commerce must of necessity exist only in the germ. In order to procure even the commonest article, the Russian peasant must go to the nearest town or village, perhaps a distance of some score of kilometres from his hamlet. Under these conditions it will be understood that efforts have been made to remedy the want of shopkeepers in country districts by constituting every group of rural families into a co-operative distributive undertaking to procure for its members everything they require, whether directly by communication with merchants, or through the intervention of central institutions constituted for the purpose.

It is also evident that because in many places these co-operative societies form the only link between the peasant and the outer world, they are obliged to extend their sphere of action more widely than such societies elsewhere. They must supply members not only with certain kinds of goods, but with everything that they need, *including all that is required for agricultural production properly so called*, machines, manure, seed etc. In other words they become, *ipso facto*, agricultural co-operative societies in the strict acceptation of the term, in every place where there are no previously established associations for supplying the wants of the rural population.

Thus considering the extraordinary development of the co-operative idea among the Russians and the advantages secured by the practical application of the principle, the co-operative distributive societies, especially their central associations, will do their utmost to gain new members and to extend the sphere of their labours. Rather than buy from merchants, they will themselves try to produce at least a part of the goods which they

(1) Cfr. Списокъ всѣхъ потребительныхъ обществъ Россіи на 1 января 1912 года (List of all the Co-operative Distributive Societies in Russia on January 1st., 1912), p. XIII.

(2) Compare ANNUAIRE INTERNATIONAL DE STATISTIQUE AGRICOLE (International Annual of Agricultural Statistics, 1911 and 1912). (International Institute of Agriculture, 1914. Rome).

supply, and should the production be in excess of their own requirements they will try to sell the surplus elsewhere. At first merely co-operative distributive societies, they will tend to become more or less co-operative purchase societies, then purchase and sale, and finally production, purchase and sale societies, while continuing to extend their efforts to supply every thing required by their members, whether for agricultural production or not.

The opposite process may also frequently be observed, that is that co-operative societies exclusively agricultural extend their action to business quite unconnected with rural economy. In a former number of our "Bulletin", we described the Dairy "Artells" (co-operative societies) of Siberia, which, besides their purely agricultural work, carry on wholesale production and the sale of such things as shoes and knives (1).

In short, we see that in Russia more than any where else it is difficult to draw a strict line between agricultural and non-agricultural co-operative societies and considering the important part taken by distributive co-operation in the country districts it must be regarded as "agricultural" in the case of associations founded in exclusively rural groups of houses as well as of the "unions" or other central institutions to which such rural distributive co-operative societies belong.

§ 2. Origin and development of co-operative distributive societies in Russia.

The origin of these societies goes back to the year 1865 (2). At first their progress was slow and difficult, and during the twenty years from 1865 to 1885 in all the Empire only 180 had been formed. The following twenty years constituted a second period, notably more favourable to their development, for the total number authorized in Russia from 1886 to 1905 rose to 1,879, that is, to ten times the number for the preceding period. A third period began with the year 1908, more remarkable still for the development of these associations, if we judge by the fact that during the first six years the number of the societies of which we possess particulars rose to 5,567.

Therefore in Russia from 1865 up to January 1st., 1912 there had been established altogether 7,626 societies, but, as many of these from one reason or other had ceased to exist, there were only 6,730 in 1912.

The following table gives some supplementary details of this constant and progressive evolution:

(1) See article entitled "The Union of Siberian Dairy Artells" in our "Bulletin" for August, 1914, pp. 41 et seqq.

(2) The first was founded in the city of Riga.

TABLE I.—*Increase of Distributive Co-operative Societies in Russia from 1865 to 1912.*

Years	Co-operative Societies Founded and Authorised	On January 1st. 1912				Proportion of the Associations Dissolved to those still Existing
		Working		Dissolved		
		Exact Number	% of Co-operative Societies Founded	Exact Number	% of Co-operative Societies Founded	
1865–1870	70	4	5.7	66	94.3	16.5
1871–1875	17	3	17.6	14	82.4	4.7
1876–1880	31	14	45.2	17	54.8	1.2
1881–1885	62	27	43.5	35	56.5	1.3
1886–1890	108	69	63.9	39	36.1	0.6
1891–1895	325	204	62.8	121	37.2	0.6
1896–1900	476	348	73.1	128	26.9	0.4
1901–1905	970	739	76.2	231	23.8	0.3
1905–1911 (1). . .	5,567	5,278	94.8	289	5.2	0.1

(1) The annual increase during this last period was as follows:

| | | | |

The existing 6,730 co-operative distributive societies had, on the 1st of January, 1912, in round numbers a total of a million members (1). Their geographical distribution was as follows: Russia in Europe properly so called, 5,257 societies; Russian Poland, 922; Caucasus, 217; Siberia, 291 and Russian Central Asia 43 (2). As to their distribution according to the social conditions in which they are established, the official statistics give the following figures:

TABLE II. — *Distribution of Co-operative Distributive Societies according to the Social Condition of their Members.*

	Total Actual Number	% total
Rural (Peasants') Co-operative Societies . . .	4,716	70.1 %
Urban » » . . .	683	10.2 %
Village » » . . .	504	7.5 %
Railway Labourers' » » . . .	190	2.8 %
Factory Workers' » » . . .	430	6.4 %
Independent Labourers' » » . . .	86	1.3 %
Artisans' » » . . .	24	0.3 %
Clerks' and Functionaries' » » . . .	97	1.4 %
Total . . .	6,730	100

(1) We shall now compare the figures for Russia with those for other countries.

Countries	Number of Distributive Co-operative Societies	Inhabitants	Number of Members of Co-operative Distributive Societies	
			Total	% of Number of Inhabitants
Russia	6,730	168,400,500	1,002,100	0.6
Great Britain	1,428	41,458,700	2,542,500	6.1
Germany	1,374	60,641,200	1,434,800	2.4
France	2,716	39,252,200	742,000	1.9
Austria	1,477	45,405,200	372,100	0.8
Belgium	199	6,693,500	148,000	2.2

(2) Excluding Finland, where co-operative distribution in more developed than in the rest of the Empire.

Confining ourselves to that branch of the subject of co-operation in which we are at present interested, namely, that of a character purely and exclusively rural, we find from these statistics that 5,074 societies had been founded since 1865 and that on the 1st. of January, 1912, there were in existence only 4,716. This shows that in the course of the 42 years that have passed since the formation of the institution, for one reason or other, 358 or 7 % of the total number have disappeared. In other words, the 4,716 now in existence represent 93 % of the total number founded. We may observe that from this point of view also the rural societies are the most important as the following table proves.

TABLE III. — *Proportion of Co-operative Distributive Societies (still Existing) to the Total Number Founded.*

	Total Number of Co-operative Societies Founded	Dissolved		Working	
		Total Number	Percentage of Total	Total Number	Percentage of Total
Rural Co-operative Societies . .	5,074	358	7.0	4,716	93.0
Urban » . .	1,043	360	34.6	683	65.4
Village » . .	552	48	8.8	504	91.2
Railway Labourers' Co-operative Societies.	245	55	22.4	190	77.6
Factory Workers' Co-operative societies.	510	80	15.7	430	84.3
Independent Labourers' Co-operative Societies	109	23	21.1	86	78.9
Artisans' Co-operative Societies .	30	6	20.0	24	80.0
Clerks' » » .	83	33	39.8	50	60.2
Functionaries » » .	52	5	9.6	47	90.4
Total . . .	7,698	968	12.5	6,730	87.5

In addition to their enormous numerical preponderance, the relative endurance, and the special solidity of the rural societies constitute one of the most eloquent proofs of the important part they take in the general progress of the welfare of the agricultural classes in Russia.

A more thorough study of this particular feature of Russian co-operation does not enter into the scope of the present article; we shall therefore confine ourselves to completing this sketch of its development, chronologically as well as geographically, by the following table :

TABLE IV. — *Development in Russia of Rural Co-operative Distributive Societies.*

Region	Date of Foundation of the Co-operative Societies								Total Number of Societies now Working	Societies Dissolved	Total Number of Societies Founded between 1865 and 1912
	1865-1880	1881-1885	1886-1890	1891-1895	1896-1900	1901-1905	1906-1911	Unknown			
Russia in Europe	1	2	5	26	89	380	3,256	8	3,767	303	4,070
Poland	—	—	5	—	6	20	518	—	549	24	573
Caucasus.	—	—	1	—	5	27	117	—	150	24	174
Siberia	—	—	—	—	5	33	198	—	236	5	241
Central Asia . .	—	—	—	—	—	3	11	—	14	2	16
The Entire Empire	1	2	11	26	105	463	4,100	8	4,716	358	5,074

The special character impressed on these societies by the special conditions of Russian life is observable also in the organisation and manner of working of their different *unions*. We find a proof of this in the working of the most important of them, the Muscovite Union (1) which, formed originally to serve as a central institution for the province of Moscow alone, through a concurrence of particularly favourable circumstances and energetic and skilful management, has risen little by little to the rank of a vast central organisation extending its influence to the most distant provinces of the enormous Empire (2).

§ 3. GENERAL ORGANISATION OF THE MUSCOVITE UNION OF CO-OPERATIVE DISTRIBUTIVE SOCIETIES.

This Union dates from the last years of the 19th. century; its rules were approved by Decree of the Minister of the Interior on June 16th. (Russian style), 1898. According to these rules the Union has three distinct fields of action :

(1) The most important amongst other federations of a similar nature are those of Winnitza in Podolia, of Perm and of Kharkov.

(2) Compare article by V. TOTOMIANS, " Les Unions Coopératives Russes " in the " Annuaire de la Coopération illustré " of 1914 (Paris, L'Emancipatrice, 1914), pp. 138 et seqq.

I. Commercial. The Muscovite Union seeks to concentrate in its hands the capital and the orders of the separate co-operative societies, to effect purchases in common on the best and cheapest conditions possible, and eliminate useless intermediaries between producers and purchasers.

II. Production. The Muscovite Union proposes, by opening co-operative workshops and factories, to encourage production by its members, and to organise sales in such a way as to prevent as far as possible purchases independent of it.

III. Non-economic. The Muscovite Union seeks to diffuse the idea of co-operation, and the knowledge required for the practical realisation of this idea, and also to encourage, both materially and morally, a rational development of co-operation.

In other words, the Muscovite Union endeavours more and more to become not only an economic centre but a source of encouragement of co-operation in general and distributive co-operation in particular.

Every local co-operative distributive society, every union of co-operative societies of this kind, in short every association of which the object is to furnish the people with the necessaries of daily life, may become a member of the Muscovite Union.

Every association desirous of such membership must with the request for admission send in a promise to observe the rules of the Union, and an entrance fee of 50 roubles, which is payable in instalments of 10 roubles per annum when the association is poor or has few members. It must also agree to take shares in the Union to the amount of at least 3 % of its own share capital. If this capital be less than 1,666 roubles, it must take at least *one* share in the Union at the price of 50 roubles. The amount of the first share must be paid on entrance, the balance during the course of the first year after entrance.

Every association belonging to the Muscovite Union is liable for the financial engagements of the Union up to a minimum of 50 roubles and to a maximum of 3 % of its own share capital. All associations affiliated to the Muscovite Union enjoy equal rights in it.

The Muscovite Union is governed by a " Council of Delegates " and a " Bureau ".

The " Council, " which has the general management of the work of the Union, is composed of delegates elected by the associations, not more than three from each.

The " Bureau " has the immediate conduct of the current affairs of the Union.

It formerly consisted of seven members, but, owing to the enormous increase in the number of affiliated associations and of the business, it was decided in 1912 to divide the societies composing the Union into twenty sections according to their geographical position, for the whole extent of the Empire. Each of these sections received the right of electing, through its representatives in the " Council of Delegates," one member of the Bureau which thus consists at present of twenty members, each representing the interests of a region.

When the number of members of the Bureau was thus increased it was decided to institute a "Council of Directors" to consist of four members chosen by the Bureau from its own body. To this Council was entrusted the direct management of current affairs.

The supervision of the work and the accounts of the Union is entrusted to a "Supervision Commission," the members of which, now numbering seven, are annually elected by the Council of Delegates.

To correspond with the three chief fields of action above mentioned, the conduct of the affairs of the Muscovite Union is divided into three sections, "Commerce," "Production" and "Secretariat Department", this last being concerned with the propaganda of the Union and its educational aims.

Finally, on account of the enormous increase in its work, the Muscovite Union has been obliged to institute agencies or branches, as necessity demands, in those regions where it has most members and where special transactions require special attention.

At the present time the Union has permanent branches at Kiev (instituted in 1911), at Rostov on the Don (1911) at Odessa (September, 1913) and at Bielaja-Tserkov in the province of Kiev (1911). For the whole duration of the great annual fairs of Nizhnii-Novgorod it employs a temporary agency in that city. It has a special permanent branch for purchases of various kinds in the town of Rybinsk on the Volga, where the navigation of that great river begins for large craft, and another permanent branch more especially for the purchase of fish in the town of Astrakhan on the Caspian Sea, the principal commercial centre of South Eastern Russia.

§ 4. Commercial work of the Muscovite Union.

The commercial work of this Union comprises three forms of transaction, viz commissions, purchases and warehousing.

With regard to the first, the Union concentrates in its own hands all the orders from its subordinate societies, and makes special agreements with wholesale merchants, factories, workshops etc. regarding the delivery of goods whether to the societies by which they were ordered or to the warehouses of the Union, which undertake to forward them to their destination.

During the year 1913 the business transacted under this head amounted to 2,146,803 roubles, but this sum does not include the commission business effected by the branches, agencies and factories of the Union.

In its direct purchase transactions, the Union, instead of making contracts with merchants or factories, buys if possible directly from the producers, or from intermediaries, the goods or produce ordered by its co-operative societies. Under this head also comes the wholesale purchase, when opportunity offers, of goods the price of which varies considerably from time to time, and which, when they rise in value, will still be sold to the societies at cost price.

In 1913 the total business of this kind had increased, taking into account only the operations conducted at the central offices of the Union at Moscow, the value of which amounted to 1,958,321 roubles.

The warehousing work is of two kinds. The first is connected with the vast warehouses possessed by the Union at Moscow and by it placed at the disposal of its co-operative societies. These societies can thus give orders wholesale and deposit the goods in the warehouses whence they are forwarded as required.

The warehouses also store the goods of each season (corn, wine, fish etc.) purchased by the Union itself to be sent out from time to time as ordered by the co-operative societies.

In 1913 the general business of this latter kind done, in the case of the central warehouses of Moscow alone, amounted to 1,297,402 roubles.

§ 5. The work of the Muscovite Union in the field of production.

As a producer the Muscovite Union is as yet relatively but little developed. Starting on the principle of undertaking only those enterprises which are safe and require little capital it began with certain raw materials the preparation of which is easy and not expensive. Its first undertakings of this kind were in connection with the wholesale purchase of coffee directly from the foreign producers. Sorted, roasted and ground in the warehouses, this coffee, bearing a special trade-mark has become well known in Russia and has brought a considerable profit to the Union.

Coffee was followed by tea, and here the strictness of the Union as to quality, packing, and careful handling of the goods bearing its special trade-mark has acquired for the " Muscovite Union tea " a well deserved reputation and very good prices.

These results, as well as those equally fortunate obtained by the direct importation, preparation and sale of cacao and pepper and by the sale of " Union bicycles ", the various parts of which are bought wholesale from the factories and put together in the warehouses, have encouraged the Union, inducing it to extend its labours to raw material produced in Russia and if possible by its own co-operative societies.

Thus at the present time the Union sells vinegar, wine and soap, the raw material of which is supplied by its own members. No statistics have as yet been published of this new kind of production, which however seems to be making most satisfactory progress.

Let us especially observe the importance of this kind of production for the development of rural economy and of strictly rural co-operation in Russia.

The establishments at the head quarters of the Union for the preparation and production above described have necessitated the opening of a vast laboratory of applied chemistry of course at the disposal of the affiliated societies for analysing and testing the goods ordered by them.

Besides the productive work of the Union itself, we must mention work of the same kind carried on by many of the associations of which it is composed. In the absence of detailed information on this subject we shall limit ourselves to an enumeration of the institutions of production given in the latest annual of the Union, pointing out that the information relates to the year 1911. In that year the associations belonging to the Union maintained sixty-one bakeries, three mills, one brewery, a tile-field, two clothes making establishments, and factories one each, for the following goods, macaroni, soap, shoes, tabacco, and coffins. Some of these were on a large scale ; that for macaroni for instance, represented a value of 61,000 roubles, but others are merely workshops, intended only to provide for the needs of the co-operative society to which they belong.

§ 6. Work of the secretariat of the muscovite union.

All the work of the Muscovite Union which is not specifically economic being, as already stated, concentrated in the hands of the Secretariat, it has been found necessary considerably to reinforce that branch. Since 1912 the management of its affairs has been entrusted to a " Secretariat Commission ", composed of one member of the Council of Directors as president, and of all the heads of the different sections of the department as members. Besides this managing staff there were in 1913 forty five employees of various kinds in the department, and the emoluments amounted to 72,000 roubles.

The various sections of the secretariat are at present the following:

1. *Section of organisation,* the duty of which is to examine all questions of organisation whether for the Union itself or for its associated societies. This section, the chief object of which is to promote the unification of the co-operative movement, has also the duty of representing the Union and its associated societies before the authorities and in courts of law, and to watch over the interests of the Union and the societies in general.

2. *Section for instruction,* the work of which is to collect, classify and bring up to date all information and material that may be of use in the establishment of new co-operative societies, and in the management of those already in existence. This section is concerned with the consultations, tests, and revisions necessary for the unification and successful working of co-operative societies belonging to the Union.

In 1914 there were seventeen expert teachers attached to the section, twelve of them at the Moscow head-quarters of the Union, two attached to the Kiev branch, two to that of Odessa, and one to that of Rostov on the Don. All these teachers are at the disposal of the co-operative societies of the Union ; they visit the societies if requested, either to give advice or to inspect them. Advice may also be requested, verbally or in writing, from the bureau of the section in Moscow. This bureau undertakes the auditing of accounts, the revision of old regulations and the drawing up

of new rules, revises the societies' bookkeeping and publishes all the forms in connection with it. A special lawyer is retained by this bureau.

A special sub-section acts as a registry-office endeavouring to supply co-operative societies with capable employees experienced in the necessary routine.

3. *The Economic and publishing section.* This section includes in the first place the forwarding office, which keeps the accounts, conducts the correspondence and keeps the records of the Union and distributes publications and circulars.

The publishing bureau directs the publication of books, manuals, pamphlets, calendars, co-operative memoranda, account books and various forms. Its work increases from year to year, and in 1913 the amount of business done by it was 95,549 roubles.

A book store and a printing press are attached to this offiee.

The bookstore, besides what its name indicates, assists the co-operative societies of the Union in the establishment and formation of special libraries. It indicates the books to be consulted on a given question, and supplies pictures and lantern slides for lectures. In 1913 the total business done by it was 104,087 roubles.

The employees of the printing-office undertake to see that the Union is always supplied with a sufficient stock of pamphlets and forms of every kind. This office not only does printing and lithography of every kind for the co-operative societies belonging to the Union, but also binds books and makes stamps of various kinds for them. It also acts as intermediary (though this is not obligatory) for all purchases of paper both for the Union and its associations.

4. *The Information and statistics section.* This section collects and classifies information concerning co-operation in general and distributive co-operation in particular. It draws up the statistical tables published in the annual of the Union and manages its very excellent library.

5. *The Editorial office of the Reviews and the Annual of the Union.* At present the Union publishes two periodical reviews. The first of these, entitled the "Consumers' Union" (Союзъ Потребителей), which has already been thirteen years in existence, publishes articles on the history, theory, and practice of co-operation, also correspondence, bibliography, and a sketch of the co-operative movement. It appears 36 times a year, and in 1903 had five thousand subscribers, subscribing three roubles a year.

The other review is called the "Union" (Объединеніе). It is more popular in character than the first, and appears twice a month. It is sent gratis to the co-operative societies of the Union for distribution among their chief members. In 1913 it was issued in eighteen thousand copies.

Finally, the Annual of the Union is a large volume of about 500 pages containing full details as to the development of the Union and its co-operative societies, besides various articles on co-operation for supply in general.

6. *Popular publications section.* This section, as its name implies, prepares a complete series of publications intended to diffuse the co-operative ideas among the people and to popularise practical methods of carrying

them out. To encourage contributors, it offers two prizes a year, one for the best pamphlet, the other for the best lecture submitted to it.

Besides the six sections the work of which we have sketched, the Union has also three special commissions, the work of which is intimately connected with that of the sections.

The first, the "Lecture Commission", facilitates and directs the arrangement of lectures. It engages capable lecturers, suggests to them interesting subjects, supplies them with information and arranges their route so that they may be heard by the largest possible number of co-operative societies. The second commission, only appointed towards the end of 1912, devotes its efforts to music and the theatre just as the first commission devotes its to lectures. The third commission, still more recent, organises exhibitions, permanent or itinerant, to set forth the advantages of co-operation and its results.

Lastly we must refer to the important work begun by the Secretariat, the institution at the "Schaniawski Free University" at Moscow of three special courses of study in connection with practical co-operation. Each course is complete in two half years. The first, general in character, intended for teachers, is at once theoretical and practical, and includes not only the study of co-operation properly so called but also thorough commercial instruction, and the elements of law. The second course, of a specially commercial and practical character, is intended to impart the knowledge required by those in future to be employed by co-operative distributive societies in purchasing provisions and goods. The third is chiefly devoted to commercial book-keeping with a view to supplying co-operative societies with a staff of efficient and capable clerks.

These active efforts of the Muscovite Union to promote both general and special studies has produced excellent results. Only a few years ago the local co-operative distributive societies in Russia were purely and exclusively economic. Now, under the beneficent impulse given by the Union, many of them devote a portion of their income to the intellectual development of their members. According to the last Annual, there were in 1911 out of 448 co-operative societies, 210, that is 46.87 %, that had spent 40,193 roubles, that is on an average 191,39 for each society, in the promotion of general culture. Forty-three societies, that is 9.6 % of all those taken into account, had besides devoted special funds to education. Out of a total of 23,301 roubles, an average of 541.83 roubles was devoted to each fund. This is a result the importance of which will be more clearly seen when it is remembered that 70.1 % of the co-operative distributive societies in Russia are exclusively rural, that is, composed of peasants who live far from any intellectual or educational centre.

§ 7. PLAN FOR THE EXTENSION OF THE WORK OF THE UNION.

By an agreement made some years ago with one of the principal insurance companies of Russia, the Muscovite Union undertook not only to insure the goods ordered by its affiliated co-operative societies during transport from one place to another, or warehoused, but also to effect for the benefit of these associations every other description of insurance of merchandise and of real estate. During the year 1913 the whole amount insured by the Union was 2,530,229 roubles.

The profit accruing from these transactions forms a special fund, the " Insurance fund ", of the Union. According to a public notice about the end of the year 1914, this fund is to form the basis for a future co-operative insurance organisation to replace the present system of insurance by commission ; but particulars are not yet published concerning this interesting project.

§ 8. THE MUSCOVITE UNION AT THE PRESENT MOMENT.

We have seen above that the Muscovite Union dates from the year 1898. Its general development from its foundation up to the first of January, 1914 is shown in the following table ;

TABLE V. — *General Development of the Muscovite Union from* 1898 *to* 1914.

Years	Number of Co-operative Societies Adhering	General Total of Commercial Business Done Rs.	Share Capital in Roubles
1899	37	31,340	800
1900	68	139,332	5,200
1901	85	109,302	7,900
1902	110	177,567	9,650
1903	131	260,420	11,750
1904	144	347,304	12,400
1905	153	439,706	17,656
1906	166	290,759	19.132
1907	201	399,978	27,558
1908	257	722,541	38,568
1909	294	1,278,311	47,822
1910	393	1,948,827	68,808
1911	549	3,597,149	91,194
1912	776	5,911,404	160,257
1913	999	7.985,234	225,413

Before entering into details concerning the Societies affiliated to the Muscovite Union and their action, we must mention that a considerable number neglect to reply to questions annually sent them with a view to the drawing up of the reports of the Union. For this reason these annual reports are far from being as complete as could be desired.

Of the 549 associations of which the Union was composed in 1911 only 448 gave the date of their foundation, and of these one gave it as before 1870, four as between 1870 and 1880, nineteen between 1880 and 1890, eightythree between 1890 and 1900, while the remaining 341 gave the present century as the date. of their foundation.

At the end of the year 1911 the 549 associations of the Union could be classified according to the social conditions of their members as shown in the following table :

TABLE VI. — *Distribution of the Co-operative Societies of the Muscovite Union.*

	Total Number	Percentage of Total
Rural Co-operative Societies	244	44.4 %
Urban » »	147	26.8 »
Factory Workers' Co-operative Societies	102	18.6 »
Independent Labourers' Co-operative Societies	39	7.1 »
Railway Labourers' Co-operative Societies	17	3.1 »
Total . . .	549	100.0 %

The information in regard to the number of members in each group at the same date is unfortunately very fragmentary.

TABLE VII. — *Number of Members of the Co-operative Societies of the Muscovite Union.*

	Co-operatives Societies Taken into Account	Number of Members	Average per Society
Factory Workers' Co-operative Societies . .	85	57,612	662.78
Railway Labourers' » » . .	13	47,937	3,687.46
Urban » » . .	118	32,263	273.06
Rural » » . .	167	20,826	124.70
Independent Labourers' » » . .	34	14,124	415.20
Total . . .	417	172,762	412.54

Thus we see from the above statistics that the rural co-operative societies, though the most numerous of all, take the lowest place but one in respect to the total number of members, and the last of all in respect to the average number of members for each association.

In the following table the figures in which also refer to the date of December 31st., 1911., the societies forming the Muscovite Union are classified according to the amount of the general business done during the year.

TABLE VIII. — *Classification of the Co-operative Societies of the Muscovite Union.*

	Co-operative Societies Considered	Amount of Total Business Done (thousands of roubles)							
		Less than 10	From 10 to 20	From 20 to 50	From 50 to 100	From 100 to 300	From 300 to 500	From 500 to 1,000	Above 1,000
Urban Co-operative Societi s . .	120	7	14	44	36	18	1	—	—
Factory Workmen's » . .	98	—	2	16	21	35	15	7	2
Railway Labourers' » . .	15	—	—	1	3	3	4	—	4
Rural » . .	179	58	57	55	7	2	—	—	—
Independent Labourers' » . .	36	1	6	12	10	7	—	—	—
	448	66	79	128	77	65	20	7	6

We shall complete this table by the following one which shows the relative importance of each social group of co-operative distributive societies with regard to the total amount of the most characteristic items figuring in their accounts.

TABLE IX. — *Division of the Societies according to their Economic Situation.*

	Share Capital			Reserve Fund			Total Business Done			Profit			Number of each Group of Societies as Percentage of the total Number of Co-operative Societies
	Number of Societies	Thousands of Roubles	% of Total Share Capital	Number of Societies	Thousands of Roubles	% of Total Reserve Fund	Number of Societies	Thousands of Roubles	% of Total Business	Number of Societies	Thousands of Roubles	% of Total Profit	
Urban Co-operative Societies	120	679	17.7	109	261	18.3	120	7,404	16.2	111	224	15,4	26.5
Factory Workers' Co-operative Societies	98	1,694	44.1	93	867	60.9	98	2,241	48.9	93	746	51,2	21.8
Railway Labourers' Co-operaeive Societies	15	919	23.9	14	249	17.5	15	9,933	21.7	15	296	20,3	3.3
Rural Labourers' Co-operative Societies	179	413	10.7	99	39	2.7	179	3,736	8.2	169	140	9,6	40.1
Independent Labourers' Co-operative Societies	36	137	3.6	25	8	0.6	36	2,308	5.0	30	51	3,5	8.3
Total	448	3,842	100.0	340	1,424	100.0	448	45,794	100.0	418	1,458	100,0	100.0

Now if we take from the preceding tables the data concerning the rural co-operative distributive societies we obtain the following results:

TABLE X. — *Comparative Importance of the Rural Group of Co-operative Societies (according to Statistics for* 1911).

Number of Rural Co-operative Societies	179	or	40.1 %	of the total
» » Members of Co-operative Societies	20,826	»	12.0 %	» »
Average No. of Members of Rural Societies	124.7	»	30.0 %	of the general average
Total Share Capital of the Rural Societies.	413,000 roubles	or	10.7 %	of the general average
Reserve Fund	39,000	»	2.8 %	» that of the entire Union
Total Business Done	3,736,000	»	8.2 %	» that done by the entire Union
Total Profit	169,000	»	9.6 %	» that of the entire Union

In other terms, in numbers the rural co-operative societies form the most important group of the Union, but only from that point of view. The total number of members of this group, of which the average number

s less than one-third of that for the societies of the Union generally, s not more than 12 % of the total. And from the point of view of business done the proportion is still more against them for it is only 8.2 % of the total of that done by the entire Union. Let us, however, observe, that with regard to the realisation of profits the advantage rests with the rural Societies, which is proved by the fact that, though their general total business was 8.2 % of the total done by the Union, they realise a profit of not less than 9.6 % of the total profit of the Union.

All these circumstances are however perfectly logical and natural. It is evident on the one hand that co-operative societies of peasants situated at considerable distances the one from the other cannot have as many members as those in urban or industrial centres, nor be as important as regards their business. On the other hand it is not less evident that the profits realised by the trade of co-operative societies in the country must be relatively more considerable than that in cities or towns where commercial competition is unrestricted. From all the preceding data the general conclusion may be drawn that if, on one side, the rural co-operative distributive societies contribute to a large extent to the constantly increasing progress of the Muscovite Union, it on the other hand not only plays a part in the development of rural economy in Russia, but also in the moral and economic education of the Russian peasant which is every year of greater importance.

The rural population was the first to avail itself of the enormous advantages offered by the Muscovite Union and of this the best proof is the constantly increasing number of the rural co-operative societies adhering to it.

On this point the evidence of the statistics is not final, but it is in any case sufficient to give a general idea of the progress made, because exceptions can only relate to a limited number of co-operative societies.

We have already seen that on January 1st., 1912 the Muscovite Union had affiliated to it in all 549 co-operative distributive societies, of which 223, that is 40.61 % were exclusively of a rural character. During the course of the same year 245 new associations joined the Union. Of these 245 there were 164 rural, that is 61.5 %. On the other hand 18 associations, of which only eight were rural, withdrew from the Union. On January 1st., 1913 the Muscovite Union had affiliated to it 776 associations of which 379 were rural, showing an increase of from 40.61 % to 48.84 %.

During the year 1913 the proportional increase of this rural contingent was still more remarkable. Of 256 new associations that joined the Union, no fewer than 190 were rural co-operative distributive societies. In other words these alone amounted to 74.2 % of the total number of the new members of the Union. Again taking into account the associations that withdrew from the Union (23 in all, of which 18 were rural) the result was that on January 1st., 1914 the Muscovite Union had 999 associations affiliated to it, of which 551 were rural co-operative distributive societies. Thus the percentage of rural members of the Union had in the course of the year risen from 48.84 to 55.15.

Lastly, during the year that has just passed the total number of co-operative societies newly registered in the Muscovite Union was 288, of which 213, that is 74 %, were exclusively rural co-operative distributive societies. It results that on January 1st., 1915 the Muscovite Union had in all 1,287 members, among which there were 764 rural co-operative societies, that is nearly 60 % of the whole.

In short, now that the first results of the great land reform are beginning to be perceived, the Muscovite Union of co-operative distributive societies, the largest union of associations of the kind in Russia, is assuming a character which tends to make of it one of the most powerful factors in promoting the general welfare of the rural population of the Empire.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CO-OPERATION AND ASSOCIATION.

FRANCE.

PASQUIER (G.) : LES COOPÉRATIVES DE CONSTRUCTION À LA CAMPAGNE (*Co-operative Building Societies in the Country*). " La Réforme Sociale ". December 1st.-16th., 1914.

The *Réforme Sociale* of December 1st-16th., 1914 gives in full the Report presented at the last annual meeting of the Société d'Economie Sociale (*Social Economy Society*). by M. J. Pasquier on the difficulties encountered by the Co-operative Building Societies in the country and the means for extending the action of these useful societies.

His own personal experience has led M. Pasquier to the conclusion that the success of the work depends on the education of the persons concerned. This education is a difficult matter, for, in contrast with the urban workman, the rural labourer reads little and if he reads it is only the price lists and miscellaneous information contained in the daily papers.

Let us add that the founders of the co-operative societies find their action hindered by the distance of their dwellings from the centres of meeting and also by the difficulty of combining intellectual and technical agricultural work.

To these special obstacles in the way of the rural societies we must add that the spirit of division is perhaps more marked in the country than in the towns, owing to political and social rivalry.

From all this it follows that in order to develop the work of cheap dwelling house co-operative societies, two campaigns must be undertaken :

1st. The social authorities, in this case, the landowners and collective bodies, must be induced to give pecuniary assistance, by way of investment.

2nd. It is urgent that the agricultural labourers' families be educated in the matter.

This twofold action must be promoted :

1. By the press, in the first place the agricultural press, which has more particularly the duty of promoting education in all its forms in the country, but must be seconded by the general press, especially by the local weekly papers ;

2. By the various Agricultural Syndicates and Societies which must place these subjects on the agenda of their meetings ;

3. By landowners, departmental managers of agricultural services, elementary teachers and the clergy.

ITALY.

LA SOCIETÀ AGRARIA DI LOMBARDIA NEL SUO PRIMO CINQUANTENNIO (1863-1913). CENNI STORICI (*The Lombard Agricultural Society in the first Fifty Years since its Foundation* (1863-1913). *Historical Sketch.*). Milan. Premiata Tipografia "Agraria", 1914, pp. 243.

This is a detailed report of the work done by this important society in the first fifty years of its life (1863-1913), in the encouragement of Lombard Agriculture. It has favoured agricultural progress in the technical field by the encouragement of agricultural education, improvements in stock breeding and cheese dairying, by means of studies and enquiries in connection with the economic situation of mountain regions, silk industry and the organization of agricultural congresses, exhibitions and shows. In the economic field, it has principally devoted itself to encouraging the formation of agricultural co-operative and mutual societies, especially co-operative dairies, rural bakeries, and mutual livestock and agricultural accident insurance societies. We must specially mention the studies made for the reform of the contracts for lease of rural land in Lower Lombardy.

BERNINI (Dr. Prof. Ottorino): MANUALE PER LE PICCOLE LATTERIE COOPERATIVE (*Manual for Small Co-operative Dairies*) Mantua. Printed by A. Mondovi. 1914, pp. 112.

This volume contains a collection of instructions and practical regulations published for the guidance of all those who wish to form co-operative dairies; there are also indicated in it the formalities to be followed for the legal constitution of the societies, the rules for their working and administration, and the taxes on these businesses. In particular, in regard to the bookkeeping of the co-operative dairies, the author justly considers that it should be as simple as possible and not such as to require much time, so as not to absorb too much of the attention of the technical staff, considering the difficulty of finding in the localities where these institutions often have to work secretaries capable of keeping complicated books. On the other hand, it must, however, answer all the requirements of a regular administration, be clear and be easy to inspect rapidly. The idea is reasonable, but the number of books (10) recommended by the author for the accounts of the small dairies seems to us too large.

Part II: Insurance and Thrift

GERMANY.

WORK OF THE BAVARIAN HAIL INSURANCE INSTITUTE IN 1914.

By Dr. G. Rocca.

In the 44th. and 45th. numbers of this Bulletin(1), I had an opportunity of giving an account of the work of the Bavarian Hail Insurance Institute and the results obtained by it since its foundation in 1884 up to 1914. As the Presidential Board of the Institute has kindly supplied me with the latest statistics of the progress of the institution in the year 1914 and informed me of some important changes made in the general conditions of insurance, I think it advisable to complete the above mentioned account by the addition of the new facts at my disposal.

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The Bavarian Insurance Institute, as an institute in public law subventioned by the State, up to 1914 strictly limited its operations to the territory of the Kingdom of Bavaria, so that land held by Bavarian citizens in the neighbouring States could not be insured by the Institute. But, as may be seen in the Minutes of the Meeting of the Advisory Commission of the Institute, held on the 29th. of last September, the Management, to satisfy a desire frequently expressed, authorized, by way of trial, for the year 1914, the insurance of holdings situated in the States adjacent to the Kingdom and contiguous with others in Bavarian territory already insured by the Institute. As no difficulty was occasioned by this, the Management proposes to continue such insurance.

(1) See numbers 8 and 9, August and September, 1914.

We know already that, in order to avoid excessive accumulation of risks, many hail insurance undertakings are accustomed to establish maximum risks for each commune or region within their field of action, and not to accept any further risks there. However, the Bavarian Institute has attained such a degree of development as constitutes the best guarantee for the necessary distribution of risks ; and consequently for several years it has ceased to apply this precautionary measure of fixing a maximum for each commune. Thus all applications for insurance were accepted in 1914, except when special provisions of the law or the general conditions of insurance were opposed to them or the conduct of the applicant was incompatible with the object of the Institute.

The premiums are fixed for each commune, in accordance with the class of risk established for the region and according as the produce is more or less liable to be injured by hail. Every year the classification of risks is revised ; and the Management now has the duty of examining the classification of each commune, even when no application has been made by it to be included in a lower class, with a view to the reduction of the amount of the premiums. On the other hand, it was necessary a few years ago, for the revision of the classes of risks, that application should be presented before the first of January. In a conference at Munich in 1913, (1), Doctor von Englert, President of the Institute, announced that the Management received complaints in regard to the amount of the premiums. But it is evident that the insurance premiums must, — leaving out of account the value of the produce insured — be in proportion to the risk for the locality and the special risk for the crop, that is to say, to the greater or less liability of the territory of the commune and the greater or less liability of each crop to suffer by hail. Complaints are especially made in regard to the graduation of the premiums according to the local risk and many people ask for compulsory insurance as a remedy, as they consider that if the law made hail insurance compulsory and general, the different classes of risk in which the communes of the Kingdom are now grouped might be abolished. But, Doctor von Englert observes with much justice, it would be unfair to make all the communes, with greater or less risks, pay the same premiums; holdings situated in regions most exposed have less value on that account alone. Compulsory insurance with uniform premiums would create a privilege, would be a favour conferred on the owners of land in those regions at the expense of the other policy holders.

In regard to the revision of the classes of risks to be made in 1915, the President declared in the above meeting of the Advisory Commission, that the Management, in view of the favourable results obtained in the last working year and the consequent increase of the reserve fund, would take into account the exceptional conditions caused by the war within the limits compatible with the mutual system.

The local risk is calculated on the average loss for each commune as far as the statistics permit of the calculation ; that is to say that, at the end

(1) See *Landwirtschaftliches Jahrbuch für Bayern*, 1913. No. 13. Munich, 1913.

of each insurance year, the proportion of the loss to the amount insured is established, and the average of the various percentages thus obtained is calculated. For example, says M. von Englert, let us suppose that in a commune in the first year 22,000 marks damage were reported against a total amount of 100,000 marks assured, that is to say 22 %. As often happens, most of the policy holders, after their claims are settled, surrender their policies, in the hope that for some time the region will not again suffer by hail, and let us admit that it does not, although most usually the contrary is the case and this exaggerated confidence is a cause of serious loss for those surrendering. In the hypothesis that a minority of farmers in this commune who are assured altogether to the amount of 10,000 marks have remained faithful to the Institute and that in ten years no disaster is reported, the local risk of the commune will appear as follows: 22 : 11 = 2 %. On the contrary, some years ago another method was followed; the amount of the value assured and the damage declared in the various years was established and the percentage calculated on the two amounts. In the above case, the amount of the damage being 22,000 marks and the amount assured 200,000 marks, the risk would be 11%, an amount far higher than before and, consequently, the policy holders who remained faithful to the Institute would have to bear the consequences of the withdrawal of the other farmers. This defect is avoided by the system now adopted, for, as above said, the percentage or the proportion of the risk is fixed according to the value assured and the damage declared in each insurance year and the average percentage is thus independent of the annual variation in the amounts assured. In the above case the same proportion of 2 % would have been arrived at, even if some of the members had not surrendered their policies or if new members had been registered.

It is, therefore, necessary, says Herr von Englert, to rectify the opinion which is still widely diffused, that the withdrawal of policy holders whose claims have been paid has the effect of increasing the rate of premiums for the other members who continue their insurance, the rather as this opinion is often a hindrance to the progress of the Institute.

Besides, in order accurately to ascertain the local risk, account is taken not only of the average loss, but also of the quality of the crops cultivated in the Commune and especially of their liability to be damaged by hail. If, for example, in one commune grain is cultivated, and in another chiefly hops, and the proportion of the loss to the value assured is the same in both cases, the first commune must be placed in a higher class of risks because grain is less liable to suffer than hops. But even if in the same commune the local risk is greater, the insurance premiums may remain the same, for the premium for grain is lower than for hops. The premiums are graduated in each commune in order to obtain an amount corresponding with the average loss, estimated according to the state of the crops in recent years. It would be difficult to find a juster method of calculating premiums than that now adopted by the Institute.

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The Management of the Bavarian Institute in 1914 also introduced important changes into the conditions of insurance in regard to the amounts assured.

We have already had occasion to mention (1) that the farmer, in applying to be insured, declares that he accepts as correct the report of the communal authority in regard to the title of the holding he wishes insured, its area, the kind of crops and the class of yield corresponding with the value of the farms. In order that the farmers may more easily insure for an amount corresponding as nearly as possible with the value of their produce and in order to prevent their insuring for amounts exceeding the real value, which would only be a needless expense, the Management of the Institute had established, in agreement with the various communes of the Kingdom, classes of yield per hectare for each kind of crop, five classes for hops and vines and three for all other crops. These latter corresponded with figures showing the value of a good, average or bad yield.

Every year the Management advised the commune in regard to the classes of yield for each of the crops cultivated in its territory. The communal authority had to keep this communication posted at the Municipal Office or in other public places from the month of March to that of August.

The policy holder had to state in which class he desired his crop to be insured, taking account of the quality of the soil and the seeds, the season, the conditions of the crop, and the damage it is liable to from insects etc. However, the classes of yield were examined every year by the Communes which instructed farmers selected by them to ascertain the state of the crops and the conditions of the local market so as to be able afterwards to propose the necessary changes to the Management of the Institute.

But in 1914 instead of classes of yield being fixed as we have just mentioned for each commune, according to each kind of crop, the Management of the Bavarian Institute decided thenceforth to fix altogether 29 classes of yield from 300 marks per hectare up to 3,200 marks per hectare with a difference of 100 marks in each case, while leaving the policy holder full liberty to select for each of his holdings the class of yield he considers appropriate to it. For the insurance year 1915, the Institute has admitted three new classs of 200, 250 and 350 marks per hectare so as to facilitate further for the farmer the selection of the amount to be assured. At present the amounts that can be assured by the Bavarian Institute are, therefore, divided into 32 classes from 200 marks (2nd. class) up to 3,200 marks (32nd. class) per hectare; crops of a value of less than 200 marks are not insured nor are vineyards of a value of more than 3,200 marks. For example, if the policy holder selects the fourth class it means that he calculates the value of his standing crops at 400 marks per hectare or wishes to insure for that amount.

(1) See the above article in volume 44 of this Bulletin.

This system, which leaves the person insuring the greatest liberty in regard to the insurance of his crops, as he may enter them in the class of yield he considers most appropriate, seems to us justified by the fact that the person insuring is the best judge of his own interests and it is really to his interest that the yield from his crops should not be calculated at too high or too low a figure. In the first case he derives no advantage from having selected too high a class of yield not corresponding with the real value of his produce. In fact, on the principle that insurance can never be a source of gain to the person insuring but its only object is to make up for losses actually suffered, if it is found in case of a disaster that the amount assured exceeds the real value of the crops, the general insurance conditions of the Institute establish that the compensation must be reduced in proportion to the real yield as again calculated by an expert. Besides the higher premiums paid are not repaid, as in the whole interval between the signature of the contract and the moment the real yield is ascertained, the Institute has had to bear the entire risk of the whole amount assured, and the premiums paid exactly corresponded with this. In addition, we must remember that the policy holder in case the revenue from the land did not correspond at all or only partially corresponded with his hopes, had the right to correct his application for insurance (up to June 10th. and in the case of vines, vegetables, flowers and nursery gardens up to August 10th.), and to ask that his crops might be entered in a lower class of yield, on condition that in the year in course these crops had not suffered by hail at all.

In the second case, when the person insuring selects too low a class of yield, that is to say when he insures his crops for less than their value, he will really economise in his premiums, but, on the other hand, in case of losses, he is not sure of compensation corresponding with the real damage. Part of the risk remains to be borne by him and if the compensation obtained does not cover the amount of the loss he has only himself to blame.

In conclusion, the Management of the Institute establishing the above classes of yield has really made it more easy for the members to state the amounts they insure for; at the beginning of June, every farmer who knows his business is in a position to estimate the probable yield from his land.

By increasing the number of classes, it is intended also to reduce the number of demands for correction which were a cause of very considerable work for the Management, above all when the produce was assured on the basis of an average insurance value, calculated in accordance with the conditions of previous years. But as we have had occasion to point out, this system too often gave rise to litigation in the case of losses, rendering the estimation for them more complicated and costly. It is now completely abandoned and the Management requires, without exception an annual description of the crops to be insured.

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In virtue of paragraph 13, of the general policy conditions, every person insuring is bound to forward to the Institute, through the medium of the Communal Bureau, before the fifteenth of May of each year, a description of the crops he desires to insure in the year, with the same details (name of holding, area etc.) as are required in the case of the application to insure. If, on the fifteenth of May this description has not yet reached the Institute, the Management is authorized to fix the amount of the insurance and the premium in accordance with the description sent the previous year or to arrange for the report to be made at the expense of the farmer. In the first case, the person insuring bears a part of the risk corresponding with the eventual difference between the value assured and the revenue from his crops. If a hailstorm takes place before the above description reaches the Management of the Institute, compensation is only assured for the farms described in the report sent the previous year and the classes of crops and yield insured in that year.

The object of this rule is to prevent the policy holder from sending his application as late as possible, so that, if the holding has not yet suffered by hail, he need only insure what is strictly necessary, selecting a lower class of yield so as to pay a lower premium ; on the other hand, in case of loss not only might he place his produce in a higher class of yield but also insure crops most liable to be damaged by hail in order to obtain a larger amount of compensation. But as Herr von Haag very justly observes in his commentary on the law in accordance with which the Bavarian Institute was established, the above provisions are precisely intended to hinder this kind of speculation and to induce the policy holder, in his own interest, to send the Institute as early as possible as accurate a description as he can of his crops.

In the course of the year 1914, the Management of the Institute interpreting the above policy regulations in as broad a sense as possible, laid it down as a principle that compensation must be paid corresponding with the last description given of the crops, even if it arrives late and a little after a loss has occurred, without the fault of the farmer. And the Advisory Commission in its meeting of September 29th. of last year decided to continue to apply this rule.

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With regard to the valuation of the damage, the Management of the Institute has kindly furnished us with information that enables us to complete the account already given of the matter.

The law fixes no date for the estimation of the loss ; it must always be made at a time as near as possible to that of the harvest, for it is only then that the damage to the crops can be estimated with due accuracy ; thus, in the case of cereals, the estimation is made shortly before maturity,

for it is only then that it can be seen how far the crop has suffered from hail. In the case of damage caused by hail, in Spring, for example, to vines, tobacco or hops, a provisional estimate of the loss is made, so as to facilitate the final estimate to be made at date of the harvest. The results of this provisional estimate are not communicated to the policy holder, in order not to excite delusive hopes of compensation, for, as Herr von Haag says, the final estimate often shows the losses are less serious than the provisional estimate might have led one to imagine.

The final estimate is only made immediately after the disaster when the farm has suffered so seriously that the owner finds it more profitable to gather the produce before it ripens and to sow afresh. In such case, the policy holder must advise the Management of the Institute, which shall decide whether to proceed to an immediate valuation, or to await the further development of the crops sown. Of course the experts in the service of the Institute will only authorize the sowing of new crops when they judge it economically advisable. The Institute is thus authorized to reduce the compensation in proportion to the profit the policy holder may derive from the new crops, in so far as these are not secondary crops generally grown in stubble fields. The land thus cultivated a second time is consequently considered to be insured for the amount not paid as compensation after the first valuation of the loss; however, secondary crops which are only insured on special application are excluded from the insurance.

If, in spite of the consent of the Institute, the policy holder does not cultivate a second crop and if the damaged produce develops, otherwise than had been expected, the first valuation must be revised, so that equitable compensation may be paid, in accordance with the loss actually suffered by the crops.

When the second crops are damaged by hail, the total loss suffered by the farm from the various hailstorms is calculated, and compensation is given in accordance with that fixed for the produce originally cultivated on the farm. The damage to the new crops is then calculated independently; but, as the same value was assured, the compensation is added to that previously fixed. The compensation, in fact, had been simply entered to the credit of the policy holder but not paid to him.

After a hailstorm the policy holder may make no change in the condition of the produce damaged, until the amount of compensation has been fixed by the Management of the Institute and he has been authorized to remove the produce. He cannot begin or continue harvesting, his strict duty being to leave the crops as they were when the hail fell; otherwise, if his responsibility can be proved, he forfeits all claim to compensation.

Art. 26 of the general insurance conditions imposes the obligation on the policy holder of continuing to give the necessary attention, after the hailstorm to his hops, tobacco, vines and garden produce, just as if they had not suffered. The Management of the Institute informs us that this obligation is now no longer limited to the classes of crops above indicated, but is extended to all crops indiscriminately and therefore also to cereals.

In urgent cases, for example, when the crops damaged have reached such a degree of maturity that a delay of the harvest might diminish their value, the Institute may authorize, in accordance with article 27 of the general insurance conditions, the removal of the produce, provided there are left standing on each farm and of each kind of crop damaged, two areas of 4 square metres each, or, if harvesting had already begun before the hailstorm, that the farm remains as it was. So that the violence of the storm and the seriousness of the loss may be measured with some degree of accuracy.

Let us finally observe that in 1914 the Management of the Institute, interpreting the general policy conditions in a larger sense than we have yet shown, decided that if the compensation is not calculated on the basis of the total amount assured, the premium must also be calculated according to the smaller amount thus assured.

This is especially the case in respect of horticultural produce, compensation for which is only calculated on the basis of the amount assured. In view of the variety of this produce, it is not required in this case as in the case of agricultural produce that the policy holder should send the description of the different varieties cultivated every year ; he is free to change his method of cultivation, during the insurance year, as he thinks fit, according to the conditions of the crops, the market etc.... The horticulturist is merely bound to state the total value of his year's produce and the amount for which he desires to insure; if, in case of disaster, it is found that the real value of the year's produce that can be insured is less than that assured, compensation is calculated upon the real value and not on the amount assured. The principle that insurance may not be a source of gain for the policy holder but must only serve to make up for the loss actually suffered finds its application here and the Management of the Institute has rightly established that in this case the premium must be calculated on the lower amount really assured.

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During the present year the Institute has sent an Order to all the Communes of the Kingdom to be posted in public places. The classification of the yield per hectare for the various kinds of crops above indicated is shown as is also the classification of the produce to be insured in eight groups in view of the greater or less resistance they can offer to hail. The last group includes the most serious risks, for tobacco for cigars, vines in the period before flowering, vine tendrils etc. The Institute is bound to follow during the whole insurance year the classification indicated in the Order and cannot include a crop in any group except that established for it.

Finally, this Order includes a kind of circular addressed to all farmers, summarising systematically all the advantages to be derived from insuring against hail in the Bavarian Institute. We think it advisable to reproduce it here as exemplifying the efficacious propaganda made by the Institute

among the agricultural population of the Kingdom, with the assistance of all the government and communal offices, and agricultural schools and associations.

"These last years have again clearly shown that *no region is secure against hailstorms*. A farmer, if he wishes to do his duty, must insure against hail.

The best opportunity for insuring is offered him by the Bavarian Insurance Institute. In the thirty years it has been working it has collected about 73,000,000 marks in premiums which have served to pay more than 70,000,000 marks in compensation, to cover the working expenses and to give the members an amount of about 1,500,000 marks as reduction of their premiums, which is entered to their credit, and in addition to constitute a reserve fund of about 14,000,000 marks, enabling the Institute to regard the future with confidence. The Bavarian State has largely contributed towards these results ; and it is desirable that the advantages offered by the Institute should, if possible, benefit all farmers.

The number of the members of the Institute is now about 172,700 ; the amount assured is about 319,000,000 marks.

The members of the Bavarian Institute have not to pay anything for supplementary policies, for registration, postage etc., except the entrance fee, paid once for all, and a charge for the increase of the value assured. They have not even to pay the costs of valuation of losses.

The value of the agricultural produce that can be assured is fixed so that every farmer may asssure the real value of his standing crops.

The validity of the insurance is independent of any payment made before the conclusion of the contract.

The premiums are only paid in October; supplementary premiums are not required. If the results for the insurance year are good, the premiums are reduced for persons who have insured for several years.

The valuation of losses is made exclusively by Bavarian farmers independent of the Institute who have a practical knowledge of agriculture; and make oath to discharge the duties with which they are entrusted with the greatest impartiality.

The members of the Institute are not bound for a term of years; they may surrender their policies any year, up to the end of February.

The general insurance conditions can only be modified with the consent of the representatives of the policy holders, in the Advisory Commission of the Institute.

Applications for insurance in the Institute may be presented to the communal authority at any time in the year. The communal authority is bound to receive them, without any charge. If the application is accepted, the insurance dates from the day on which the application reached the Royal Insurance Chamber. Every Communal Office is supplied with application forms, as well as copies of the law founding the Institute and the general insurance conditions.

Any individual may help in extending hail insurance among the agricultural population ; for any increase in the member of members

strengthens the Institute, facilitates the compensation of risks and renders a reduction of premiums possible."

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In 1913, the compensations were granted without any reduction and persons who had been insured for several years were granted reductions on their premiums, in accordance with the plan already adopted in previous years. According to this system, to the credit of the policy holders who reported no losses in 1913 and who, since they began to insure had paid an amount of premiums in excess of that of the compensation they had received, one mark was entered for every fifty marks of such excess in case the insurance had lasted at least three years, and 2 marks for every fifty marks of the same excess, in case the insurance had lasted 10 years at least, to be deducted from the amount of their premiums for 1915. In 1913, in view of the appreciable increase in the reserve fund in recent years, the Management of the Institute granted reductions on premiums to a total amount of 450,024 mks. or 9.2 % of the total premiums for the year (1).

However, the ultimate results for the year 1914 were less satisfactory than might have been expected, on account of the exceptional hailstorms occurring in the last days of the insurance years, so that a deficit of about 33,000 marks had to be registered. But the progress of the Institute in 1914 not only enabled it to make up this deficit, but also to continue to pay compensations without reduction, to enter 500,000 marks to the credit of policy holders of several years' standing under the head of reduction of premiums and to pay 997,000 marks into the reserve fund. This amount was not only invested at interest, but invested like other items entered to the reserve fund (entrance fees, interest on initial capital, interest on the reserve fund itself etc., amounting altogether in 1914 to about 1,500,000 marks), in accordance with a programme approved by the Bavarian Agricultural Department, to meet the needs of agricultural credit resulting from the war and in particular with a view to works of farm improvement.

In the course of 1914, the number of members increased from 172,026 to 172,661 ; the average amount assured per member increased from 1,633 to 1,844 mks.; the total amount assured by the Institute from 271,000,000 mks. to 318,000,000 mks. and the premiums collected from 4,400,000 mks. to 5,000,000 mks. The proportion of the premiums to the amount assured, not taking into consideration the reductions made for persons assured for several years, was the same in 1914, as in the previous year, that is to say, 1.57 %.

These favourable results, in the opinion of the President of the Institute, are above all due to the new application of classes of yield, of which we

(1) Consequently the provisional figure, 430,000 marks, given in the previous article (See volumes 44, 45 of this Bulletin) must be corrected, in 1912 these reductions did not amount, as erroneously stated, to 663,000 marks, but to 431,730 marks or 8.4% of the year's premiums.

have already spoken, and which has facilitated for the members the suitable insurance of their crops. At the beginning of the year, the increase in the amounts assured was even more considerable, for the members profited largely by the power granted them of choosing, for each of their farms, the class of yield which seemed to them most suitable. But, when they were afterwards advised of the total amount due in premiums, many of them expressed the desire to alter their selection and register their crops in lower classes. The Institute, taking into consideration that the system was new, attempted with the greatest good will to meet these requests for alteration, even when the term fixed in the general insurance conditions for the presentation of these applications (June 10th. or August 10th.) had already passed. Applications to make alterations could not, however, be received, when the crops had already been harvested and when the Institute had supported to the last the risk corresponding with the higher insurance ; in such cases, if rectification had been allowed, the other policy holders would have suffered. In 1915, the Management of the Institution proposed to keep strictly to the terms laid down for the dates for applications for rectification, as now the policy holders must have sufficient knowledge in regard to the choice of classes of risk and the way their choice might affect the amount of their premiums.

In the above mentioned meeting of the Advisory Commission, Herr Lebeau, representative of the policy holders of the Palatinate, expressed his hope that the new classification would help to prevent the insurance of crops beyond their real value and that it would make it more widely known that whoever insures for the due amount, will also receive due compensation.

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In 1914 hailstorms were very frequent, but the damage done was not very great ; the damage done by hail in Spring could be to a large extent repaired and the members, so to say, did not lose very heavily on their crops, which may be considered as particularly fortunate as the period of danger was appreciably prolonged owing to the delays that took place in harvesting. The proportion of the total amount of loss to the assured value was only 1.17 % (against 1.46 % in the preceding year).

In 1914, the amounts assured were altogether 318,531,320 marks (281,002,200 mks. in the preceding year) : in this sum were included the amounts for 223 policies insuring horticultural produce, the market value of which was estimated at about 316,940 marks, and which was assured for 215,430 marks. ; 15 policies insuring garden produce (flowers and other plants cultivated for industrial purposes, provided they were not in hothouses) of an estimated value of 22,530 marks, insured for 14,210 marks ; 10 policies insuring nursery gardens of a value of 81,070 mks., but only insured for 37,420 marks, and finally 5 policies insuring vine tendrils, of a value of 54,220 marks, but only insured for 13,110 marks.

The frequency of the storms in 1914 is seen in the following table :

Month :	April
Date of Hailstorms .	30
Communes Damaged .	1

Month :	May													
Date of Hailstorms .	1	4	5	6	7	8	9	12	18	23	24	25	26	31
Communes Damaged .	7	1	14	10	9	11	1	2	10	415	39	5	3	2

Month :	June																			
Date of Hailstorms .	1	6	7	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25		
Communes Damaged .	1	65	1	9	117	1	82	26	136	11	8	8	4	11	119	3	6	2		

Month :	July																			
Date of Hailstorms .	2	3	4	12	13	14	15	16	18	19	20	21	22	23	24	25	26	27	28	30	31
Communes Damaged .	16	235	1	58	124	17	55	5	1	72	33	36	119	9	2	57	203	17	24	4	1

Month :	August								
Date of Hailstorms .	3	4	5	19	21	22	26	27	28
Communes Damaged .	8	6	1	9	7	34	12	19	1

Month :	September					
Date of Hailstorms .	11	12	13	18	20	21
Communes Damaged .	6	2	18	6	4	1

The favourable financial results for the year in question were due to the fact that in August little damage was reported in comparison with former years. Altogether there were 69 days of hail and, in 2,361 instances, 20,960 members suffered residing in 1,818 communes (1,407 of these communes being once affected, 1,313 twice, 74 three times, 16 four times, 6 five times and 2 six times). The days on which the greatest damage was done were May 23rd. (415 communes suffering to the extent of 383,660 marks); July 3rd. (235 communes suffering to the extent of 506,664 mks.); and July 26th. (203 communes, suffering to the extent of 407,372 mks.).

For the valuation of losses, 430 sworn appraisers were required, who did, in all, 4,066 days' work. We must note that as a rule the valuations do not give occasion for complaint.

The premiums collected amounted altogether to 5,500,576 marks and the interest on current accounts to 5,000 mks., 500,000 mks. being allowed

to persons insured for several years, as reductions on their premiums. The costs in connection with the collection of premiums amounted to 80,000 mks., the expenditure for valuation of losses and the working expenses came altogether to 300,000 mks.; thus, after the deficit of 33,000 marks from the preceding year was made good, about 4,597,000 marks remained, out of which the claims (3,800,000 marks) could be paid, while 979,000 mks. were paid over to the reserve fund, the amount of which at the end of the year was 14,750,000 marks.

The proportion of the reserve fund to the amount assured, which is a sure indication of the solidity of an insurance undertaking, is shown in the following table which summarises the work of the Bavarian Institute from 1884, the date of its foundation.

Table Summarising the Work of the Bavarian Institute.

Working Year	Number of Policy Holders	Number of Claims Paid	Amount Assured		Premiums	Losses	Claims Paid	Reserve Fund	Working Expenses
			Total	Average per Policy Holder	Shown as Percentage of the Amount Assured				
1884	7,375	985	11,140,233	1,511	1.27	0.67	0.67	1.49	0.05
1884 to 1899	1,026,737	121,230	1,545,405,671	1,505	1.21	1.37	1.15	1.77 (1899)	0.05
1900	125,702	18,315	194,511,540	1,547	1.27	2.67	1.79	1.37	0.04
1901	131,444	17,345	205,095,890	1,560	1.30	1.40	1.35	1.38	0.04
1902	137,996	17,862	215,821,560	1,564	1.35	1.89	1.51	1.25	0.05
1903	141,329	24,533	223,343,980	1,580	1.38	3.05	1.74	0.97	0.06
1904	144,112	9,074	231,808,980	1,160	1.59	0.57	0.57	2.70	0.06
1905	142,556	15,207	229,526,160	1,610	1.64	1.34	1.37	3.17	0.06
1906	142,863	20,770	231,246,330	1,720	1.67	1.56	1.56	3.42	0.06
1907	145,945	19,964	236,036,010	1,617	1.65	1.61	1.61	3.57	0.06
1908	156,443	32,124	254,587,760	1,627	1.62	3.28	2.49	2 61	0.06
1909	163,774	13,618	267,560,620	1,634	1.76	1.20	1.20	3.19	(*) 0.08
1910	166.756	23,163	273,032,790	1,638	1.78	1.42	1.42	3.58	0.11
1911	169,255	18,520	275,930,340	1,630	1.76	1.10	1.10	4.02	0.10
1912	171,208	16,550	283,404,760	1,651	**) 1.66	0.85	0.85	4.97	0.11
1913	172,026	20,580	281,102,200	1,633	**) 1.57	1.46	1 46	5.31	0.12
1914	172,661	20,960	318,531,320	1,844	**) 1.57	1.17	1.17	5.15	0 12

(*) Since 1909, including expenditure for estimation of losses and since 1910 for part of the staff.

(**) Less reductions on premiums to persons insured for several years.

Among the crops insured by the Institute, the risk in the case of vines is the most serious, bnt if vineyard insurance does not give satisfactory results in a financial sense, that is due in part to the general crisis by which the vinegrowers of Central Europe have been for some years suffering. The Management of the Institute is reserving the question of the insurance of fruit until that of nursery gardens and vine branches, lately commenced, has proved advantageous.

Everywhere the statistics of damage caused by hail are very inadequate. It is only by minute investigation on an extended scale into the risk of injury to each crop by hail that the principles on which to calculate premiums and estimate losses can be established. So the Management of the Bavarian Institute, by gradually extending insurance against hail to new crops, is efficaciously contributing to the improvement of the technique of this important branch of agricultural insurance.

GREAT BRITAIN AND IRELAND.

THE RECENT DEVELOPMENT OF MUTUAL PIG INSURANCE IN ENGLAND AND WALES.

In the *Bulletin* for October, 1914, we published an article on "Mutual Pig Insurance in England and Wales" which was of the nature of a general study. In that article we were unable to give figures more recent than those relating to 1912, but since it appeared, the results of a further official enquiry have been published in the *Journal of the Board of Agriculture*, and this enables us to supplement our article with later information. The results of the enquiry, as published in the February number of the *Journal*, are in a condensed form, and we reproduce them practically as they appear.

§ 1. Statistics relating to both registered and unregistered societies.

The enquiry carried out by the Board of Agriculture showed that there were, in 1913, in England alone, 1,080 societies for the co-operative insurance of pigs, generally known as Pig Clubs. These societies, a few of which are registered and recognised under the Friendly Societies Acts but the majority of which are unregistered and have no recognised legal position, are scattered over 28 counties of England, but, so far as has been ascertained, there are none in Wales or in 18 English counties. The counties having the largest number of societies are Lincolnshire with 340, Northamptonshire with 121 and Wiltshire with 102. Fifty-one of these societies were founded before the year 1860, and so have been at work for more than fifty years; while 232 of them have been started since 1900, so that the movement is still spreading.

A few leading statistics have been obtained for 1,027 of these societies. They had altogether 37,848 members, an average of 37 members per society, but one society had 270 members, and another 267, while 36 societies had between 100 and 200 members each, and several had less than 10. They insured among them 63,558 pigs, an average of 62 per society; but one society insured 1,030 pigs, 18 insured more than 300 pigs each, and several insured each less than 20 pigs. As the average number of pigs

insured per member was only 1.7, it is evident that the large majority of the members are small men, insuring only one or two pigs each; several societies, however, have an average of more than five pigs, per member. All these societies, except one, have a balance to their credit, the sum total of their assets being £32,656, against which there are practically no liabilities, as their accounts are settled quarter by quarter. The average assets per society are £32; forty societies have each more than £100 to their credit as a reserve fund, and one has £385. The total assets of all the societies put together average 10 shillings per pig insured, and as the compensation paid on pigs that die averages less than 2 shillings per annum per pig insured, it is clear that the majority of the societies must be in a sound financial position, able to meet any claims that are at all likely to be made on them, even in bad years, without having to call on their members to pay an additional levy to make up any deficiency in the funds.

As many of the unregistered societies are in out-of-the-way villages and do not keep very accurate accounts, it is difficult to collect statistics from them. The following figures have, however, been obtained for the last three years for registered and unregistered societies taken together.

Year	No. of Societies reporting	No. of Members	No. of Pigs insured	No. on which claims were paid	Amount paid on claims	Amount received in contributions from Members	Amount of Reserve Fund
					£	£	£
1911	864	32,223	57,551	3,010	5,327	7,836	29,799
1912	747	28,289	48,223	2,516	4,709	6,754	26,173
1913	691	25,776	46,766	1,772	3,722	5,964	24,537
Average	767	28,763	50,847	2,433	4,586	6,851	26,836

Thus according to the experience of these three years, the casualty-rate for these societies has been, for an average number of 30,847 pigs insured, 4.8 per cent. per annum, the rates for the different years having been 5.2, 5.2 and 3.8 per cent.; so that in this important respect the last year was a favourable one. For the three years the average amount paid per pig that died was £1.18 *s.*, the average loss on claims per pig insured was 1*s.* 10*d.* and the average amount received in contributions per pig insured was 2*s.* 8*d.* In each year the contributions much exceeded the losses, and at the end of the year the accumulated savings of these 767 societies averaged £35 per society, or over 10*s.* per pig insured — nearly six times the average amount paid on claims in a year.

Statistics for 1913. — For the year 1913 taken by itself the following somewhat fuller statistics are available.

	No. of societies reporting	No. of members	No. of animals insured	No. of claims paid	Amount paid on claims	Total expenditure
					£	£
Unregistered	659	24,170	43,352	1,669	3,468	5,130
Registered	32	1,606	3,414	103	254	406
Total	691	25,776	46,766	1,772	3,722	5,536

	Amount received in contributions	Amount received from sale of carcasses	Total income	Reserve fund at the end of the year
	£	£	£	£
Unregistered	5,637	771	7,338	22,431
Registered	327	37	514	2,106
Total	5,964	808	7,852	24,537

For this year the casualty-rate for unregistered societies was 3.9 per cent., while for registered societies it was 3.0: the total expenditure per pig insured averaged 2*s*. 4*d*. for both classes of societies, and the total income per pig insured was for unregistered societies 3*s*. 5*d*. and for registered societies 3*s*. At the end of the year the reserve funds of the unregistered societies equalled over 10 *s*. per pig insured or four times the total expenditure of the year, and those of the registered societies equalled over 12*s*. per animal insured, or five times the total expenditure of the year. In both cases the income of the year considerably exceeded the expenditure and the average savings of the year for the 691 societies reporting amounted to £2,316. Both unregistered and registered societies, taken as a whole, are evidently in a sound position. They receive no subsidy from the Government and very little by way of subscriptions from honorary members; one society obtained £21 during the year from the proceeds of a ball given in aid of its funds.

§ 2. Statistics relating to registered societies only.

Fuller statistics are available for the registered societies, which work under rules that have been examined by the Registrar and have the force of law, and which have to submit to him properly audited accounts. There seems reason to believe they are, on the whole, better managed than the un-

registered societies, as on the average of the last three years their average casualty-rate has been only 4.2 per cent. per annum as compared with 4.8 per cent. for the unregistered societies, and they succeed equally well with a smaller average rate of contributions.

The Casualty-Rate. — These societies all pay insurance claims on pigs which die or have to be slaughtered in consequence of any disease or accident.

Year	No. of Societes reporting	No. of pigs insured	No. on which claims were paid	Average casualty-rate per cent. per annum
1911.	32	3,570	173	4.8
1912.	31	3,066	148	4.8
1913.	32	3,414	103	3.0
Average . . .	32	3,350	141	4.2

According to the experience of these three years, a well-managed society in average surroundings may expect an average casualty-rate considerably below 5 per cent. per annum.

Amount payable per Casualty. — Some societies pay on claims the full value of the pig at the time it fell ill : others pay only a fraction of the value such as three-fourths or seven-eighths. The actual payments have been as follows:

Year	No. of pigs insured	No that died	Amount paid on claims	Receipts from sale of carcasses	Net loss	Average net loss	
						Per pig that died	Per pig insured
			£	£	£	£ s.	s. d.
1911.	3,570	173	359	53	306	1 15	1 9
1912.	3,066	148	331	46	285	1 19	1 10
1813.	3,414	103	254	37	217	2 2	1 3
Average. . .	3,350	141	315	45	270	1 18	1 7

From the experience of these three years it appears that an average society may expect to have to pay on the average a net loss of under £2 per pig that dies and to meet a net loss of well below 2*s.* per annum per pig insured.

Amount of Premium paid. — The statistics of the last three years have been as follows:

Year	No. of pigs insured	Amount of insurance contributions received	Average per pig insured
		£	s. d.
1911	3,570	351	2 0
1912	3,066	239	1 7
1913	3,414	305	1 9
Average	3,350	298	1 9

The average insurance contributions equalled 1s. 9*d.* per pig insured, more than sufficient in themselves to cover the net losses.

Income and Expenditure of Insurance Fund. — The total income for the year 1913 of the insurance funds of these 32 registered societies was £445, made up as follows: — Insurance contributions £305, entrance fees and fines £21, sale of carcasses £37, interest £48, other income £34; and the total expenditure was £343, including £254 paid on claims, £55 paid as dividend to members, and other payments £34; so that during the year they made a saving of £102 and their insurance reserve increased from £1,950 at the beginning of the year to £2,052 at the end.

Management Expenses. — Twenty societies insuring 2,389 pigs report their management expenses for the year 1913 as £63, of which £37 was spent in salaries. The average expenditure on management was therefore 6*d.* per pig insured, as compared with 9 *d.* and 7 ½ *d.* in the two previous years. From this it appears that most of these societies are economically managed, the members of Committee giving their time and trouble without remuneration and the secretary and marker being content with quite small salaries.

SWITZERLAND.

THE INSTITUTION OF RURAL SICKNESS SOCIETIES.

SOURCE:

L'INSTITUTION DE CAISSES-MALADIE RURALES. MOTIFS ET PROPOSITIONS. PUBLICATIONS DU SECRÉTARIAT SUISSE DES PAYSANS, No. 47 (*Institution of Rural Sickness Societies. Objects and Proposals. Publication of the Swiss Peasants' Secretariat, No. 47*). Brugg, published by the Swiss Peasants' Secretariat, 1914. pp. 141. 8vo.

After the passing of the federal law on Sickness and Accident Insurance, the Committee of the Swiss Peasants' Union instructed the agricultural secretariat to make preliminary studies for the introduction of *Rural Sickness Societies* into Switzerland. The above federal law sought to hasten the extension and development of sickness insurance by means of supervision and subvention of the sickness societies, but made no provision for the institution of these societies by the Confederation.

The Swiss farmers, however, do not intend to let this excellent opportunity of sharing in the great advantages offered by federal insurance escape them, seeing the liberty that is given to private initiative and above all the initiative of the cantons.

The Peasants' Secretariat, which, in its publication no. 43, had already made its proposals in regard to the organization of sickness insurance, has now devoted the above publication to the matter of sickness insurance.

The work is certainly one of the most important that have recently appeared on the subject.

It is divided into three large sections, the first of which shows the reasons in favour of the institution of agricultural sickness societies.

To render the need more evident, the compilers of the work have subdivided this section into two chapters. the first of which gives the provisions of the federal law in regard to sickness and accident insurance, whilst the second is concerned with the illnesses the agricultural class is liable to and institutes suitable and interesting comparisons, supported by statistics of the illnesses occurring in agriculture and in all other professions.

The second section is concerned with the institution of agricultural sickness societies and deals more especially with rural societies, with the Federation of the Rural Sickness Societies of the Swiss Peasants' Union and the Auxiliary Aid Society of the Federation of the Rural Sickness Societies of the Swiss Peasants' Union. Model rules and draft standard rules for all these forms of sickness society are added.

The third section or part of this publication, finally, is concerned with the application of art. 37 of the federal law, containing the provisions in virtue of which the Confederation supports sickness societies in the sparsely inhabited mountain regions.

The subject of this publication is certainly one of the most important for the student of insurance in view also of the fact that in few States has any real progress yet been made in realising the now long standing desire of the rural classes for agricultural accident and sickness insurance. The results of the researches carried out by the Swiss Peasants' Secretariat in regard to the institution of agricultural sickness societies, given in the second part of this work, are of importance for the study and understanding of the problem in a general sense. These researches, then, led to the following conclusions:

I. Agriculture can only benefit by the federal law if the necessary steps are taken to encourage the foundation of rural sickness societies.

II. From the age of 35 to 40 years the number of cases of illness increases in an appreciable degree and more frequently in agriculture than in the other professions ; on the other hand, the improvement in the treatment of the sick is a need felt everywhere.

III. The rural population is everywhere greatly averse to compulsory insurance, so that the aim may be best attained by the encouragement of voluntary insurance.

The Secretariat entrusted with the study of the question had to solve the by no means easy problem of the form to be given to the insurance institutions, that is to say, whether it would be more suitable and more advantageous for the Swiss farmers to found special institutions or just to adhere to the sickness societies generally in use.

The reasons for the adoption of either solution may be justifiably supported. If we consider the frequency of the illnesses, the position of many communes, their importance etc., it is certain that the institution of insurance specially limited to the agricultural population does not present too great an advantage. But, on the other hand, the agricultural population has special needs in regard to sickness insurance; while most of the sickness societies are organised to suit the requirements of the urban and industrial population; in addition to this, the management of the central mutual societies and often of the local societies is in the hands of a group of persons who are strangers and often even hostile to the peasants.

For these and other reasons, the presenters of the reports on the enquiry were of opinion that the foundation of special institutions was necessary in order to infuse the spirit of the rural population of the country into the organisation taken as a whole and to maintain it.

Naturally, if there are already sickness societies meeting the requirements of the agricultural population, the foundation of new societies may be dispensed with ; the same may be said if the State institutes public societies, and even makes insurance compulsory.

For the vitality of the sickness societies for agriculture, they must be secured against the risks to which they are exposed in cases of long illnesses by means of a mutual reinsurance society.

Considering more in detail the manner of working of the rural sickness societies, it must be observed that this kind of society is not concerned with the provision of compensation for every day of unemployment due to sickness of the policy holder, but rather its object is to obtain for him medical care and attendance.

To attain this end, however, it is necessary for the society to have a certain independence; without exclusion of the necessary supervision, the management of the society must be as simple as possible. Nor must it be a professional sickness society in an exclusive sense : as in the country the population is for the most part and fundamentally agricultural, the agricultural class must also furnish the largest number of the policy holders of the sickness societies.

The rural society must undertake to pay the costs for medical attendance to its sick members and try to secure the best assistance and treatment for them ; another of its duties is to inculcate upon the agricultural population the fundamental principles for healthy and regular living by means of courses and lectures on diet, alcoholism, the fight against tuberculosis, epidemics etc.

All the inhabitants of Switzerland, without distinction of sex, age or profession may be members of rural sickness societies. But the society is only bound to accept as members farmers and the members of their families living with them and agricultural employees, provided they are not over 50 years of age. In regard to other persons the competent authorities of the society decide whether to accept or refuse their applications. While the rural sickness societies are not exclusively intended for the farming population, they give the whole rural population (artisans, schoolmasters etc.) the possibility of benefiting by the advantages they offer.

We shall not here concern ourselves with the duties of the members to the society, which are limited to the payment of monthly contributions.

The benefits the society is bound to provide may be summarised as under :

(1) Medical consultations and doctor's attendance at the patient's home.

(2) Medicines ordered by the doctor.

(3) Hospital or clinical treatment for the maximum period of 6 months.

(4) Baths and other small medical necessaries ordered by the doctor

(5) Treatment of women in their confinements.

The society grants its assistance for a maximum period of 180 days in a period of 12 consecutive months.

Expenditure due for accidents is not given by it, as the federal law on agricultural accidents provides for compensation to be given in another way in the case of accidents. Anyone who has received assistance from the bank for the maximum period laid down, must wait till another 180 days are passed before he can again apply for it; however, if these persons are still ill they are referred to the society making provision for sicknesses of longer duration than are contemplated by the ordinary societies.

Finally, the society gives compensation in cases of death.

Part III: Credit

PORTUGAL.

AGRICULTURAL CREDIT IN PORTUGAL AND ITS REORGANIZATION.

OFFICIAL SOURCES:

LEI NO. 215 DE 30 DE JUNHO DE 1914. Reorganização do Crédito agricola (*Law Number 215 of June 30th., 1914. Reorganization of Agricultural Credit*). Lisbon, National Press, 1914.

JUNTA DE CRÉDITO AGRÍCOLA. Relatorio e Contas da Gerencia (*Agricultural Credit Commission. Report and Statement of Accounts*). Lisbon, National Press, 1914.

DIARIO DA CÂMARA DOS DEPUTATOS (*Journal of the Chamber of Deputies*).

DIARIO DO SENADO (*Journal of the Senate*).

OTHER SOURCES:

BOLETIN DA ASSOCIAÇÃO CENTRAL DE AGRICULTURA PORTUGUEZA (*Bulletin of the Portuguese Central Agricultural Association*). Lisbon, 1911, 1912, 1913, 1914.

DIARIO DE NOTICIAS (*Journal of News*) Lisbon.

INTRODUCTION.

Up to 1911, we may say, there was no system of agricultural credit in Portugal and the farmers were at the mercy of usurious private money lenders. Under these conditions, the Law decreed on March 1st., 1911 met an urgent need of the rural economy of the nation. In fact it instituted agricultural credit, encouraging the constitution of mutual credit banks with financial assistance from the State.

In the short space of three years the Decree in question has already had many results in the economic and social world. But these have not corresponded with the hopes the public authorities based upon it when pro-

mulgating it and founding the Agricultural Credit Commission entrusted with its execution.

In fact, from the first, it has been necessary to overcome many difficulties due to want of confidence on the part of the rural population and the opposition of all those interested in the maintenance of the existing state of things. But, happily, the intelligent and untiring work of the Commission has gradually overcome them and not only have the farmers been induced to associate for the foundation of mutual credit banks, but they deposit their savings with them, which implies complete confidence in these institutions.

But, if the action of the Commission has been effectual, as indeed has been the case, as regards its work in the conditions under which the associations with the supervision of which it is entrusted had to develop, in the practical application of the Decree of 1911 certain defects were discovered in its provisions which have prevented the realisation of all the results desired and which the Commission was unable to remedy.

It therefore had to limit itself to the recognition of these defects and to laying before the public authorities all the reforms found to be advisable in the practical application of the law. Accordingly, the Minister of Agriculture, Antonio Maria da Silva, presented to Parliament a bill for the reorganization of agricultural credit, which was passed on June 30th., 1914 and became law no. 215.

Before dealing with this law, we think it well to give some information in regard to the work accomplished by the Agricultural Credit Commission as well as of the progress made by the mutual credit banks, especially recently.

§ 1. Work of the agricultural credit commission and the mutual credit banks.

In previous numbers of this Bulletin (1) we have dealt with the Decree of March 1st., 1911 and the results obtained by its means. We shall not therefore repeat what has been already said and shall merely remind our readers that, by that Decree, the Government opened a credit of 1,500,000 crs. (7,500,000 frs.) to encourage the constitution of mutual agricultural credit banks by means of loans. The same Decree established the Agricultural Credit Commission, the principal duties of which are (1) to draw from the funds for agricultural credit the amounts required for the agricultural credit operations of the banks ; (2) to receive applications for loans, discounting or rediscounting from the latter ; (3) to encourage the formation of these banks ; (4) to provide the capital needed for their work on pledge and personal security ; (5) to fix the rate of interest on loans ; (6) rigorously to supervise and inspect the work of the banks etc.

(1) See our numbers for May, 1911 and October, 1913.

Let us further remember that the banks pay 3 % on loans out of the State funds and only 1 % on those out of the funds of the former *Celleiros*. The banks, in their turn, lend their members money derived from the first source at a rate varying from 3 ½ % to 5 % and out of the second at a rate of from 1 ½ % to 3 %.

The Commission began work in April, 1914. Since then and up to June 30th., 1914 it had granted the rural banks the following amounts in loans.

TABLE I. — *Loans Granted by the Commission to the Agricultural Mutual Credit Banks, out of State Funds.*

Year	Half Year	Loans Granted		Loans Repaid During the Year	
		Number	Amount	Number	Amount
1911.	2nd.	12	6,505 $ 00	9	2,555 $ 00
1912.	1st.	56	6,254 $ 25		
1912.	2nd.	106	33,150 $ 49	61	20,768 $ 18
1913.	1st.	256	70,674 $ 83		
1913.	2nd.	296	121,528 $ 07	323	71,111 $ 64
1914.	1st.	424	131,396 $ 76		
		1,150	369,469 $ 40	393	94,432 $ 82
	or frs.		1,847,047.00		472,174.10

The Banks that have received the largest amounts in loans are those of Serpa (275 loans for an amount of 100,463 $ 90 ; Bombarral (241 for 47,445 $ 60) and Aljustrel (97 for 30,079 $ 91), and those that applied for the smallest amounts are those of Peniche (4 loans for 1,250 $) and Castro Verde (5 for 2,150 $). The preceding table shows us that, of the 1,150 loans granted by the Commission in the period indicated, 393 for an amount of 94,434 $ 82 were repaid; the loans not repaid on June 30th., 1914 were in consequence 757 for an amount of 274,974 $ 58.

In the financial year 1913-14, eleven mutual credit banks were founded in the following localities . Chacim, district of Braganza ; Vila Nova de Famalição district of Braga; Peniche, district of Leiria ; Santarêm and Tomar, district of Santarêm ; Moita do Ribatejo, district of Lisbon; Evora

and Vendas Novas, district of Evora ; Beja, Alvito and Ferreira do Alentejo, district of Beja.

In all these banks the members are jointly and severally liable to an unlimited degree.

It must be observed that these institutions are most numerous in the south of the country, apparently because agricultural industry is more developed there and there is consequently a greater demand for money.

On June 30th., 1914, the share capital of the banks that had State money at their disposal amounted to 603,187 $ 94, or 374, 302 $ 23 more than at the end of the financial year 1912-13.

It is to be remembered that the credit of the banks, which, since the Decree of 1911 limited their business, consists, in the case of the banks of joint and several unlimited liability, of the share capital in excess of 50% of the value of the unmortgaged rural and urban land belonging to the members, which cannot be estimated at more than fifteen times the taxable revenue of the holdings ; in the limited liability banks, the credit is twice the share capital paid up.

In the working year 1913-14, the total guarantee of the banks was increased by 1,444 rural and 214 urban holdings. On June 30th., 1914, the joint and several liability of these banks was as follows.

TABLE II. — *Guarantee of the Unlimited Banks on June 30th, 1914.*

Banks	Rural Holdings		Urban Holdings		Total	
	Number	Value	Number	Value	Number	Value
Bombarral	200	49,605 $ 52	41	14,447 $ 45	241	64,602 $ 97
Salvaterra de Magos	27	9,824 $ 50	34	6,786 $ 50	61	16,611 $
Viana do Alentejo	11	34,842 $ 50	7	4,017 $	18	39,459 $ 10
Mourão	104	23,631 $ 38	33	4,506 $ 75	137	28,138 $ 13
Aljustrel	32	38,081 $ 66	34	17,752 $ 85	66	50,807 $ 51
S. Tetónio	50	10,976 $	7	1,588 $ 50	57	12,564 $ 50
Alcáçovas	50	29,548 $ 50	26	4,769 $ 80	76	34,318 $ 30
Castro Verde	9	7,701 $ 64	3	1,725 $	12	9,426 $ 64
Serpa	691	266,709 $ 56	93	19,426 $ 78	784	286,136 $ 34
Villa Flor	926	40,314 $ 45	93	3,484 $ 18	1,019	43.798 $ 63
Alcobaça	34	6,383 $ 74	6	4,698 $	40	11,081 $ 74
Pernés	31	47,074 $ 93	2	108 $ 15	40	47,156 $ 08
Alcochete	26	3,625 $ 98	7	1,399 $ 20	33	5,025 $ 18
Lourinhã	16	4,541 $ 14	3	1,322 $ 66	19	5,863 $ 80
Alvorinscha	177	16,644 $ 87	25	13,065 $ 45	202	29,710 $ 32
Eborense	20	47,045 $ 99	8	8,228 $ 95	28	55,274 $ 94
Ourique	86	87,590 $ 52	6	2,123 $ 85	92	89,714 $ 37
Moita do Ribatejo	40	12,145 $ 15	15	14,480 $ 55	55	26,625 $ 70
Aldeia Galega	9	6,161 $	5	2,341 $	14	8,502 $
Ferreira do Alentejo	13	68,609 $ 50	3	1,761 $	16	70,370 $ 50
Péniche	28	11,218 $ 57	4	1,293 $ 90	32	12,512 $ 47
Chacim	31	6,205 $ 20	2	398 $ 20	33	6,803 $ 40
Tomar	5	3,869 $ 47	—	— $ —	5	3,869 $ 47
	2,616	832,324 $ 47	457	126,048 $ 72	3,073	968,373 $ 90
or francs		4,161,621.85		630,241.60		4,491,865.45

Up to June 30th., 1914 the Mutual Banks had granted 1,570 loans for the amount of 478,089 $ 88, of which 1,150 for 369,409 $ 40 were granted out of the agricultural credit fund formed by the State and 420, for 108,680 $ 48 out of the Banks' own capital, consisting of deposits and the profits on their business. Comparing these figures with those corresponding for the end of the previous year, we find that in 1913-14, 645 loans were granted for a total amount of 343,302 $ 94.

Out of the above total number of 1,570 loans, 632 for a total amount of 184,530 $ 28 were granted on personal security, 623 for 211,762 $ 07 on pledge and 315 for 81,797 $ 52 on mortgage.

In the following table we show the distribution of the loans per bank.

TABLE III. — *Classification of Loans Made by the Agricultural Mutual Banks up to June 30th., 1904.*

Banks	Loans on Personal Security		Loans on Pledge		Loans on Mortgage		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Bombarral	31	6,475 $	225	34,636 $	38	9,026 $	294	50,137 $
Elvas	133	62,274 $ 43	18	22,365 $	—	— $ —	251	84,639 $ 43
Salvaterra de Magos	11	2,845 $	11	3,523 $	13	1,551 $	35	7,919 $
Viana do Alentejo	32	4.825 $	7	2,355 $	—	— $ —	39	7,180 $
Mourão	109	8,743 $ 40	56	7,178 $ 36	—	— $ —	165	15 921 $ 76
Aljustrel	19	5,195 $ 50	59	21,289 $	25	5,695 $ 41	103	32,679 $ 91
S. Tetonio	28	3.039 $	1	1,000 $	3	122 $	32	4,161 $
Alcáçoras	20	4,723 $ 49	—	— $ —	—	— $ —	20	4,723 $ 49
Castro Verde	1	200 $	4	1,955 $		— $ —	5	2,150 $
Serpa	104	40,518 $ 69	134	58,299 $	165	39,945 $ 75	403	138,763 $ 44
Vila Flor	15	7,915 $ 70	2	2,850 $	—	— $ —	17	10,765 $ 70
Alcobaça	15	2,562 $ 50	13	2,980 $	6	566 $	34	6,108 $ 50
Pernes	9	1,352 $	15	5,275 $	8	2,732 $	32	4,859 $
Alcochete	12	1,444 $ 75	—	— $ —	3	1,102 $ 51	15	2,547 $ 26
Lourinhã	7	2,060 $	2	600 $	—	— $ —	9	2,660 $
Alvorninha	24	2,427 $ 82	28	7,008 $	33	3,286 $ 85	85	12,722 $ 67
Eborense	—	— $ —	11	20,929 $ 71	3	5,500 $	14	26,429 $ 71
Ourique	9	8,270 $	7	950 $	4	7,400 $	20	24,720 $
Moita do Ribatejo	—	— $ —	26	9,524 $	8	2,720 $	34	12,244 $
Aldeja Galega do Ribatajo	15	2,253 $	4	950 $	2	900 $	21	4,103 $
Ferreira do Alentejo	16	12,520 $	—	— $ —	—	— $ —	16	12,520 $
Peniche	—	— $ —	—	— $ —	4	1,250 $	4	1,250 $
Reguengos	8	3,545 $	—	— $ —	—	— $ —	8	3,545 $
Vila Nova de Fancaliçao	5	600 $	—	— $ —	—	— $ —	5	600 $
Cartaxo	9	240 $	—	— $ —	—	— $ —	8	240 $
	632	184,530 $ 28	623	211,762 $ 07	315	81,797 $ 52	1,570	478,098 $ 87
		922,651.40		1,058,810.35		408,987.60		2,390,449.35

The loans are most frequently made for periods of 3 months, 6 months or a year ; about 34 % of the total loans are made for one year.

The following table shows that, conformably with the law of 1911, in granting loans it is attempted to give the preference to small farmers. We see in fact that 65.30 % of the loans are for amounts of from 25 to 1,250 francs, 29.48 % for amounts of from 1,255 to 5,000 frs. and only 5.22 % for amounts of from 5,005 to 35,000 frs.

TABLE IV. — *Distribution of Loans Granted by the Banks out of the State Funds according to their Importance.*

Amoun	Loans Granted	%
Up to 5 $	3	
From 5 $ 01 to 10 $	14	
» 10 $ 01 » 20 $	42	
» 20 $ 01 » 30 $	79	
» 30 $ 01 » 40 $	49	
» 40 $ 01 » 50 $	121	65.30
» 50 $ 01 » 60 $	53	
60 $ 01 70 $	16	
» 70 $ 01 » 80 $	23	
» 80 $ 01 » 90 $	26	
» 90 $ 01 » 100 $	103	
» 100 $ 01 » 250 $	222	
» 250 $ 01 500 $	230	
» 500 $ 01 » 750 $	53	29.48
» 750 $ 01 » 1,000 $	56	
» 1,000 $ 01 » 1,500 $	26	
» 1,500 $ 01 » 2,000 $	16	
» 2,000 $ 01 » 2,500 $	6	
» 2,500 $ 01 3,000 $	5	
» 3,000 $ 01 » 3,500 $	1	
» 3,500 $ 01 » 4,000 $	2	5.22
» 4,000 $ 01 » 4,500 $	1	
4,500 $ 01 » 5,000 $	1	
» 5,000 $ 01 » 5,500 $	—	
» 5,500 $ 01 » 6,000 $	1	
» 6,000 $ 01 » 7,000 $	1	
	1 : 150	100.00

Let us finally say that most of the loans are required for purchase of manure and livestock and payment of labourers; the fewest are for purchase of agricultural machinery and transport material. In regard to the propaganda carried on by the Agricultural Credit Commission and its efforts to improve the organization of credit more and more, we refer our reader to what has already been said on the subject on previous occasions (1). Let us only add that to the action of the Commission and of the Banks in recent times the following results are due: the lowering of the rate of interest on loans made between private individuals, the rate for such loans being now equal to the maximum amount asked by the banks, that is 5 %; the facilitation of business and the higher price of produce; the development of crops and the appreciable improvement in the methods of cultivation.

§ 2. The new law of June 30th., 1914.

We have already said that the practical application of the provisions of the 1911 Decree encountered certain difficulties, some due to agricultural conditions and others to defects in the law itself (2).

And, in order to remove the latter, the authorities proposed to publish new provisions, which, without departing from the general principles of the Decree, would remedy its defects. Accepting the suggestions of the Agricultural Credit Commission, based on experience, the Parliament passed a law for the reorganization of agricultural credit, on June 30th., 1914 (No. 215), which, when all is said, only reproduces the provisions of the 1911 Decree, with slight amendments, amplifying them or correcting them according to circumstances.

If we examine these amendments, we see first of all that the new law, in specifying the various objects which the agricultural credit operations may serve, adds to those included in the Decree, (*a*) the purchase of thoroughbred horned cattle and all substances for the prevention of diseases of horned cattle or for combating such diseases; (*b*) redemption of *foros* (emphyteuses) on cultivated holdings; (*c*) payment of mortgage debts the interest on which exceeds 6 % and which are less than 5,000 frs. in amount; (*d*) discounting of warrants issued on agricultural produce deposited in the general warehouses. These are, as we see, slight amendments extending the sphere of action of agricultural credit.

In regard to the organization and working of the agricultural mutual credit banks, the new law adds to the two types of limited and unlimited liability a third, of mixed banks, in which the joint and several liability of some members is unlimited and that of others limited.

The considerations on which the bill laid before Parliament was based practically recognised the necessity of introducing this new type of bank

(1) See the number of this Bulletin for October, 1913, p. 64.
(2) See the number of our Bulletin above referred to.

so that the poor workmen, by means of certain contributions from the richer, may obtain a credit they could hardly expect to on the total amount of the small values of their holdings. Unlimited joint and several liability at first was preferred by the rural classes, but it is no less certain that, by allowing the more hesitating to limit their liability, a larger number of members can be obtained and the benefits of the legislative provisions may have more extensive application.

An important provision of the new law is that any one who becomes a member of more than one unlimited mutual agricultural credit bank, can be prosecuted for fraud.

Experience has shown that peasants have not always the time necessary to perform the duties of treasurers and accountants with assiduity; so the new law establishes that this work may be done by persons not belonging to the banks, under conditions laid down in the rules. As we see, the clause to this effect is permissive.

But the most important amendments introduced by the new law are those extending the benefits it offers to holdings burdened in certain ways. In fact, in virtue of articles 27 and 37 of the Decree of 1911, the limited liability banks could only obtain funds from the State for the amount of their share capital and 50 % of the value of the freehold urban and rural land of all their members, free of mortgage; and, on his side, no member could borrow from the bank to which he belonged an amount of more than 50 % of the value of his land serving as mortgage security, the land offered as security or the revenue engaged, nor than 25 % of the freehold land possessed by himself, his surety or sureties. Now these limitations led in practice to serious difficulties in the application of the law, as most of the rural holdings are held in emphyteusis and subject to the charges connected therewith.

The public authorities, taking into account these difficulties which diminished the credit of the banks and their members to an extraordinary degree, omitted the above limitations from the new law, contenting themselves only with requiring that the holdings should not be mortgaged.

So that the holdings subject to other charges may enjoy the benefits of the law. Thus, articles 32 and 42 of the new law provide that the value of the land be fixed as indicated, *after deduction of the total amount of the charges burdening it.*

Another important amendment introduced into the law related to the period of the loans. According to the 1911 Decree, this period might not exceed one year and the loan was at most renewable for another year. As we see, this term, which was too short, did not allow of farm improvements being carried out, in spite of these being included among the objects of the agricultural credit operations in the Decree. For this reason, the new law provides, that, together with the ordinary loans for one year, renewable for another year, others might be granted for a maximum term of 15 years and not renewable, if intended for payment of the mortgage debts at a rate of more than 6 % mentioned at the beginning of this section, for the work of farm improvement and, in case of the loans being

granted to agricultural associations, when they are for purposes of purchase, the maintenance and working of rural technical institutes, warehouses, transport material etc.

It was found that the inspections to which all the banks are subject at least once in three months, according to the provisions of the 1911 Decree, could not be made with all the attention and strictness necessary, as too heavy expenditure was entailed. The new law has also brought a remedy here, entrusting the periodical inspections to the delegates for agriculture, forestry and the health of cattle in each locality, dependent on the General Department of Agriculture. So that the service has been appreciably improved, with no increase of expense.

We may say that the changes introduced by the new law in no way essentially affect the *Celleiros* and the relations of the Agricultural Credit Commission with the Portuguese Economic Banks.

The other alterations introduced by it into the organization of agricultural credit in Portugal are really hardly more than formal or refer to the interior organization of the credit institutions without essentially changing it.

We have only to add that the law presented in Parliament on June 2nd., 1914 and passed as we have seen on the 30th. of the same month, contained a whole chapter on the organization of labourers' old age and disablement pensions on the basis of mutuality, but this chapter was suppressed as, during the discussion, the Chambers decided that the matter had not as yet been sufficiently studied in the country to allow of the problem being dealt with in the most satisfactory way, but the public authorities were urgently recommended to study the matter attentively in order to solve it as rapidly as possible.

UNION OF SOUTH AFRICA.

THE LAND AND AGRICULTURAL BANK IN 1913.

In a previous article in this *Bulletin* (1) we described the constitution and chief objects of the Land and Agricultural Bank of South Africa and gave a summarised account of its transactions from October 1st, 1912 — the date of the foundation of the Bank — up to December 31st of that year. We explained that the Bank is intended to provide "*bona fide* and deserving applicants with funds at a cheap rate, repayable in instalments over an extended period," — such funds to be used for the purchase of land, or for stocking and effecting permanent improvements upon the applicant's holdings.

In this article we shall bring our account of the Bank's transactions down to December 31st, 1913.

§ 1. The bank's financial position.

The second Annual Report shows that the demand for the services offered by the Bank during the year 1913 far exceeded all calculations; so much so, indeed, that the funds placed at the disposal of the Central Board proved quite inadequate to meet the legitimate demands for credit, and the Board could only continue to make advances after securing a large overdraft from its bankers. In December, 1912, the Board estimated the Bank's requirements for the financial year 1913-14 at £800,000. At the end of May, 1913, however, it became evident that the advances would have to be considerably curtailed unless additional funds could be obtained. The Board endeavoured to cut down the number of applications by issuing stricter regulations, as to the purposes for which advances would be granted, but notwithstanding this the number of legitimate applications steadily increased. The Government made a grant of £25,000 from the Contingencies Fund and at the same time the Board decided to limit advances to amounts not exceed-

(1) See the Bulletin for October, 1914, at page 78.

ing £ 500 and to raise an overdraft of £ 240,000. Of this overdraft, only about £ 60,000 had been drawn on December 31st, 1913. The Board estimated that to meet its obligations for the year ending March 31st, 1914, it would require a further vote of £ 439,287, and that to administer the provisions of the Land Bank Act in a thoroughly adequate manner in the ensuing year, ending March, 1915, a sum of £ 1,435,000 would be required. If, during the latter year, individual advances were limited to £ 1,000, the amount required would be £ 985,000; and if limited to £ 500, the amount would be £ 735,000. The Board is very desirous that the operations should not continue to be limited to advances not exceeding £ 500, and in its Annual Report goes so far as to say that if this limitation be imposed the very object of the Bank, which is the improvement of the agricultural population, will be defeated. With regard to the amount asked for, the Board writes as follows: "At first sight the amount of £1,435,000 asked for would seem large, but it must be borne in mind that it is only during the early years of the Bank's existence that Parliament will be asked to provide so much, for, as time goes on, advances become repayable by instalments and are available for reinvestment."

The transactions of the Bank during the year and the financial position on December 31st, 1913, are shown in the two following tables:

TABLE I. — *Statement of Receipts and Payments, January 1st to December 31st, 1913.*

Receipts	£	s	d	Payments	£	s	d
Balance in Hand on January 1st, 1913	4,895	5	8	Advances to Mortgagors	1,530,060	0	0
Department of Finance on Account Capital	1,025,000	0	0	Advances for Fencing	81,679	2	1
Repayments by Mortgagors	430,713	3	4	Advances for Dipping Tanks	60,085	2	8
Repayments on Account of Promissory Notes	15,600	6	5	Advances to Co-operative Societies	97,347	13	6
Repayments on Account of Fencing Loans	29,597	2	1	Application Fees: Refunds	603	10	0
Repayments on Account of Dipping Tank Loans	2,468	7	5	Valuators' Fees	5,856	18	0
Repayments by Co-operative Societies	44,040	16	9	Recoveries paid Agricultural Department	153	18	5
Interest Received	146,755	12	0	Interest Paid to Treasury	26,383	9	8
Application Fees	4,043	16	0	Charges (including Rent and Salaries)	29,172	13	0
Valuator's Fees	5,435	9	0	Furniture and Fittings	589	3	6
Bond Fees	6,571	17	7	Warrant Vouchers unpaid at December 31st, 1912	5,664	14	3
Commission on Guarantees and Recoveries	1,139	7	11	Sundries	4,923	17	1
Fixed Deposits	10,000	0	0	Cash at Bankers and on Hand	36	19	11
Recoveries	48,059	19	5				
Sundries	1,137	0	0				
Overdraft at Bankers	59,296	15	8				
Unpaid Warrant Vouchers	6,802	2	10				
	£ 1,842,557	2	1		£ 1,842,557	2	1

TABLE II. — *Statement of Liabilities and Assets as at December 31st, 1913.*

Liabilities	£	s	d	Assets	£	s	d
Department of Finance:				Advances on Mortgage	3,414,824	5	9
Capital	3,785,354	15	2	Advances for Fencing	239,287	14	6
Interest Due	98,959	5	2	Advances for Dipping Tanks	60,806	11	9
Reserve Fund	118,343	12	2	Advances on Promissory Notes	85,991	8	8
Agricultural Department	20,867	1	6	Advances to Co-operative Societies	299,273	7	7
Sundry Creditors	27,650	4	4	Loans and Advances Recoverable by Bank	300,441	1	9
Past Due Interest	13,751	0	9	Sundry Debtors	11,177	18	6
Past Due Instalments	2,274	2	3	Interest Adjustment Account	11,185	8	4
Interest Received	18,189	5	10	Interest Accrued but not Due	30,537	13	11
Deposits	2,356	13	2	Bank Property	1,043	17	0
Recoveries Suspense Account	588	11	2	Bank Premises	82	8	0
Valuators' Fees	797	1	0	Furniture and Fittings	1,102	9	2
Application Fees	144	15	0	Stamp Account	25	2	11
Government - *Per Contra*	300,441	1	9	Bills Receivable	173	4	0
Bills for Collection	173	4	0	Standard Bank of South Africa (Current Account)	13	11	9
Warrant Vouchers Payable	6,802	2	10	Natal Bank (Current Account)	20	7	0
National Bank of South Africa: Overdraft	59,296	15	8	Cash on Hand	3	1	2
	£ 4,455,989	11	9		£ 4,455,989	11	9

On December 31st, 1913, the Bank had a Reserve Fund of £ 118,343 12*s* 2*d* as against £ 88,160 14*s* 11*d* at the end of 1912. On the year's working there was a Net Profit of £ 30,393 14*s* 3*d*.

§ 2. Advances made during 1913.

The Bank is authorised to make advances (usually upon first mortgage) to *bona fide* applicants who intend to devote such advances to the purchase of land or the development of their holdings. These are the ordinary advances made by the Bank and are repayable in 30 years in half-yearly instalments. In addition, the Bank makes advances for the erection of dividing fences and for the construction of dipping tanks, and to approved co-operative societies.

Tables III and IV, which follow, show the particulars relating to the ordinary advances made during the year.

Table III. — *Advances under Act* 18 *of* 1912, *January* 1*st to December* 31*st*, 1913.

Area	Number	Total Amount	Average Amount	Value of Security
		£	£	£
Transvaal	1,425	539,115	378	1,161,329
Orange Free State	622	499,955	802	1,154,605
Natal	193	154,015	798	373,000
Cape Eastern, Cape Western	396	336,975	851	729,736
Total	2,636	1,530,060	584	3,418,670

TABLE IV. — *Purposes for which Advances were made.*

Area	Improvements	Purchase of Stock	Discharge of Existing Liabilities	Sub-division	Establishment of Agricultural and Rural Industries	Purchase of Land	Total
	£	£	£	£	£	£	£
Transvaal.	85,673	63,820	160,388	215	—	229,019	539,115
Orange Free State . .	53,570	25,408	235,755	—	150	185,072	499,855
Natal	21,704	16,448	83,788	—	—	32,075	154,015
Cape Eastern . . . . / Cape Western . . . . \	55,323	19,659	182,187	—	—	79,806	336,975
Total . . .	216,270	125,335	662,118	—	—	525,972	1,530,060

During the year under review, 470 applications, amounting to £ 44,061, were received for dipping tank advances, and of this amount, £ 39,746 was granted though not paid out in full, such loans being as a rule paid out in instalments as sections of the work are completed to the satisfaction of the Board. Under the provisions of the Dipping Tanks Act, 1911, a sum of £ 20,500 was paid to the Native Affairs Department in respect of tanks constructed in native areas.

The number of applications received for fencing advances was 906, for a total of £ 132,998. The amount actually granted was £ 102,195.

Advances were granted during the year to three co-operative societies for a total amount of £ 55,000. Applications were received from other six societies, but owing to the shortage of funds these were held over and at the end of the year were still pending. Although only three societies received advances from the Land Bank, the Board devoted a good deal of attention during the year to the affairs of the societies. In pre-Union days many of the societies had received financial assistance from Government upon the most lavish scale and, as a natural result, had conducted business with incredible recklessness. Some of them got into hopeless difficulties and had to be wound up, while others were able to continue only after Government had voluntarily written off large sums which had been advanced to them (1). The Board has to endeavour to eliminate the

(1) In this connection see the article by Mr A. E. Marks in the *Bulletin* for September, 1914, at page 17.

abuses which had developed in the working of the societies in these early years and at the same time provide the societies with funds for conducting their legitimate business. The position of the Bank is certainly not an enviable one. If, in attempting to introduce reforms in the administration of the societies, it avails itself of the powers it possesses and calls in a large number of the loans, it may precipitate a crisis in the co-operative movement, while, on the other hand, if it is to lend at all it must be able to exercise some control over the institutions to which it lends. With a view to avoiding friction by regulating its relations with the co-operative societies, the Board, in the year under review, framed certain conditions upon which it was prepared to make advances to them. These conditions do not go beyond the provisions of the existing law upon the subject: they merely emphasise some of the provisions which in the past have been very largely overlooked. They are as follows:

Advances will be made to Co-operative Societies:

1. To erect buildings and to purchase
   (*a*) Immovable property;
   (*b*) Agricultural machinery to be worked on behalf of members;
   (*c*) Breeding stock to be controlled and used on behalf of members;
   (*d*) Plant, office furniture and other equipment.

2. To make advances to members against produce, actually delivered to a society in good order and condition, and carefully graded.

3. (*a*) To purchase grain bags, agricultural implements, seeds and farming requisites to be supplied to members; and,

(*b*) For any other of the objects which a society may lawfully pursue.

Advances referred to in section 1, (*a*) to (*d*), shall be repayable with all interest and charges thereon within such period, not exceeding ten years, as may be prescribed by the Central Board.

Advances under sections 2 and 3 will be made upon a cash credit account and shall be subject to repayment on demand. When the produce upon the security of which an advance has been made is sold, the proceeds must be paid into the Land Bank.

The above conditions were made known to all co-operative societies, and as there was a general wish to discuss the proposals a meeting was convened between representatives of the societies and members of the Board. At this meeting, held in Pretoria in October, 1913, it was resolved that in future all advances should be made under the conditions proposed. The representatives of the societies had come to the meeting with the intention of opposing the Board's proposals on the ground that they constituted an undue interference in the domestic affairs of the societies, but apparently they became convinced upon a careful examination that the conditions imposed were reasonable.

The Bank has certain powers of inspection over co-operative societies, and from time to time examines the books of a society in order to determine whether proper and economical use is being made of funds advanced to the society. The Co-operative Division also has power to inspect societies, its examinations being more in the nature of advisory audits. The Board expressed the opinion that it would be advisable to come to some working arrangement between the Bank and the Co-operative Department in order to avoid overlapping and possible friction, and with a view to improving the working of societies generally.

Part IV: Miscellaneous

BELGIUM.

REFORM OF THE LAW IN REGARD TO CONTRACTS OF LEASE OF RURAL HOLDINGS IN BELGIUM.

SOURCES:

VAN DIEVOET (Emile): Le bail à ferme en Belgique. Le droit écrit et la coutume. Le fait économique. Les réformes nécessaires. (*Farm Leases in Belgium. Written Law and Custom. The Economic Position. The Necessary Reforms*). With preface by E. Vliebergh, Professor at the University of Louvain, Member of the Superior Council of Agriculture. Louvain, Printing Office, C. Peeters, 1913.

BUYSSE (M. A.): La réforme du régime légal des baux à fermes. (*Reform of the Law on Contracts of Lease of Rural Land*). Conference held under the Auspices of the Association of Engineers belonging to the State Agricultural Institute, during the Belgian "Agricultural Week," 1914. From "Annales de Gembloux," no. 4, April 1st., 1914.

COUSOT (Georges): (*Reform of Contracts for the Lease of Rural Land*). Discourse delivered at a Sitting of the Provincial Council of Namur, July 10th., 1914. Published in the "Journal des Sociétés Agricoles du Brabant et du Hainaut." Ghent, no. 32, August 8th., 1914.

There is perhaps no question which has caused so much excitement in Belgium of late years amongst persons interested in agriculture as that of the reform in regard to contracts for the lease of farms. The regulations on the subject in the Belgian Civil Code date from as far back as 1804, but these are no longer adapted to the present oeconomic and social conditions of the country. During the last thirty years a very important change in agricultural affairs has been evolved chiefly by the constantly increasing application of chemical principles and agricultural machinery; but the laws have remained stationary and the regulations for landlord and tenant in the letting of land bear the impress of a past era. They contain clauses often out of date, and sometimes vexatious, such as those which restrict the liberty of the tenant in the cultivation and improvement of his holding, threaten the fixity of his tenure and exclude or reduce the security of his working capital. For instance, the following: "The tenant may not carry on any trade nor engage in any undertaking unconnected with his farm, without the permission of the proprietor. He cannot grow more than two crops of beet in nine years of lease under pain of immediate cancellation of his contract. He must pay for the trans-

port of the materials needed for the repair of the farm buildings, and feed the workmen. He must use on the farm all of the hay, cattle food or straw produced on it under pain of a fine for every quintal removed. He must also engage to pay all taxes indiscriminately and to allow all his claims for compensation etc. to be valued at the end of his contract by a third person selected exclusively by the proprietor." In some contracts there is also the following clause ; " On the slightest failure to observe the contract the proprietor has the right to ask for denunciation of it, without formal procedure, but by simple summons presented at any time whatever by the officer and at the expense of the tenant."

Such being the legal state of things, and considering the importance of contracts in the lease of rural land in Belgium, where at least two thirds of the soil is leased (1), there has arisen in later times among the farm managers an important movement in favour of legislative reform. Various projects have been presented to Parliament which we shall now consider, but not without briefly indicating the principal regulations both legal and sanctioned by custom at present in use.

§ 1. Chief legal regulations and customs obtaining.

First of all we must refer to the duties imposed by the Code on every tenant without distinction. They may be reduced substantially to the following ; (*a*) to use the property leased as a good father of a family according to the object assigned to it in the contract, or, in absence of any agreement, according to the presumptive agreement, varying with the circumstances ; (*b*) to pay the landlord the rent at the time agreed upon, or, in the absence of such agreement at the time fixed by local custom ; (*c*) to carry out repairs agreed on and to permit the landlord to make urgent repairs ; (*d*) at the end of the period fixed to give up the property leased to the owner in the same condition as received, if there was a description of it made ; if such description has not been made, it is to be presumed, there being no proof to the contrary, that the tenant had received it in a good state and in such he must leave it ; (*e*) to be responsible for eventual damage and loss except such as may be proved to have occurred without his fault, such as damage caused by fire when he can show that it occurred by accident or circumstances beyond his control ; (*f*) and to inform the landlord of any trespassing on the property.

In the case of rural land, the Code imposes on the tenant certain duties deriving from the nature of the farm itself. This he must furnish with livestock and the implements necessary for its cultivation ; he must store the crops in places agreed upon in the contract so as

(1) On this subject recent details are wanting, the most recent official data being the results of the general agricultural census of 1895. In that year in a cultivated area of 2,607,514 hectares, 1,287,155 or 49 % were worked directly by their proprietors and 1,320,359 or 51 % by tenants.

not to nullify the right granted by the law to the landlord of taking possession of these crops in case the tenant fails to pay his rent or causes damage to the property. Besides, at the termination of the contract the out-going tenant must leave to the tenant succeeding him the necessary buildings and other conveniences for the work of the following year, also the straw, litter, and manure of the current year, if he has received such on his entering on the tenancy, but, if he has not, the proprietor may retain them at their estimated value so as to secure good cultivation of the land.

In addition to all these obligations, the civil law requires of the tenant those (already referred to) in the clauses of the contracts which vary in each case and against which on account of their unreasonableness and want of equity, a violent opposition now exists. Such, for instance, are all those clauses framed with a view to prevent exhaustion of the soil, which restrict the liberty of the farmer to an exaggerated extent, imposing upon him a special system of rotation of crops, forcing him to let his land lie fallow periodically for a certain time, to abstain from the cultivation of certain crops, hindering him from selling straw, litter or cattle food, if he has more than the needs of his holding require and minutely regulating the number of times he must manure the land, the quality of the manure and the methods employed. These obligations, contrary to the teachings of modern science and practical agriculture, are often enforced by arbitrary contracts causing useless annoyance to the farmer and damage to the farm. A law is called for that, in the interests of economy and with due precautions, will allow greater liberty of action to tenants.

Of a different nature from the foregoing, but not less oppressive, are those clauses which compel the tenant to pay all taxes present and future, and to carry out and permit the carrying out, without right of compensation, of important repairs even if they deprive him for a long time of the use of his holding. He is obliged to allow the planting of all trees on the land for the exclusive benefit of the landlord and to take care of them for him etc.

On his side the landlord is obliged; (*a*) to deliver the holding in good repair to the tenant, (*b*) to maintain it in a manner suitable to the use for which it has been let, and during the lease to make all necessary repairs except those of a trifling nature to be made by the tenant; (*c*) to secure the peaceful occupation of the farm to the tenant for the time of the contract, to guarantee him against defects which may diminish its value and to protect him from any infringement of his rights through the action of other persons; (*d*) and not to change the form of the place let during the tenant's occupation.

Corresponding with the duties of the proprietor, the tenant of a rural holding, in accordance with the Belgian Code, and contrary to the provisions of all other Codes, has a right, in cases of annual contract, to a dispensation from payment of a proportional part of the rent, if the total or even the half of a crop is lost by accident before the harvest, whilst the tenant for several years has a right to a similar reduction for losses suf-

fered in former harvests, if it be proved that he was not compensated for them. Such a benefit ceases if the tenant is bound by any special agreement in cases of accident.

The question of the duration of a contract is one of special interest. It is necessary to consider the difference between written and verbal agreements. The first have in general a duration of nine consecutive years, or of three, six and nine years. In the provinces of West Flanders, Hainault, and Namur, nine-years' contracts prevail, in Limbourg three years' and six years' contracts, while in the provinces of Liége and Luxembourg both systems are almost equally in use.

There are however many verbal contracts, landlord and tenant coming to an understanding about the place and the price and leaving the duration of the agreement and all other considerations to be settled according to the laws and customs. In such cases, art. 1,774 of the Civil Code applies, to the effect that " In case there is no written contract, the lease of a rural holding lasts for the time necessary for the tenant to receive all the fruits of the soil. In the case of a field, a vineyard on any other piece of land of which the product is yielded within a year, the lease holds goods for a year. In the case, however, of land subjected to a rotation of crops, the time is stipulated for the entire rotation. "

But in reality in the greater number of verbal contracts the regulations above quoted are superseded by local custom, which in general fixes the duration of the lease according to the district ; one year for Antwerp, Flanders etc., or three for Brabant, Limbourg etc.

The Belgian Civil Code contains another article which has been much criticised and largely discussed, viz. Art. 1,775, which provides that a lease of rural land, whether written or verbal, terminates at the expiration of the term for which it is made or held to be made, without need of previous notice. The absence of any legal obligation on the part of the landlord to give due notice to the tenant is considered to be a hindrance to proper cultivation of the land, besides being contrary to equity, making the position of tenants extremely precarious and uncertain. But of late definite proposals for the reform of the Code on this point have not been wanting. Before examining these proposals, however, it is necessary to pause and consider briefly an old question of paramount importance in all countries where, as in Belgium, leases of rural holdings are common. This question, which is that of the compensation due from the landlord to the tenant for improvements, is still in a large number of countries awaiting an equitable legislative solution.

§ 2. The question of compensation to be paid by the landlord to the tenant for improvements.

The question of compensation claimed by the tenant for improvements made by him in his holding whether affecting the value of the land or the character of the farm may be said to have a history of its own. For the

last half century it has been the subject of study and discussion and numerous bills on the subject have been drafted in almost every country. But, except in Great Britain, this question has not yet received a legal solution. The Belgian Code did not formally solve it, because, as has been shown, it limited itself to regulating the handing over of the year's straw and manure to the incoming tenant. However, legal decisions have fortunately to a certain extent supplied the deficiency by recognising in most cases the right of the outgoing tenant to compensation for improvements made on the farm. This right was acknowledged by custom before the law took cognisance of it.

The right called the *droit de prisée* prevailing in Flanders is especially interesting and characteristic. It is the obligation imposed by custom on the incoming tenant, or, in default of him, on the proprietor, to pay to the outgoing tenant the value of the straw, litter and manure on the farm, as well as of the manure already on the ground, and of the crops under cultivation. In some parts of Flanders this obligation is more widely extended, applying also to certain improvements of the property.

The current expression *droit de prisée* (prijzij, prijs) is derived from the examination made in order to determine the quantity and the value of the unconsumed manure remaining on the farm, and of the crops and improvements handed over to the new tenant.

In East Flanders the *droit de prisée* gives the outgoing tenant a right to compensation not only for the manuring done by him, but also for the growing woods, for the keeping in repair of stables and out-buildings, for making ditches and quickset hedges, and for certain improvements on the property.

If meadows have been formed, he is sometimes entitled to special compensation.

To obtain this compensation the tenant is not obliged to bring any proof. Custom is law. The fact that manuring, repairing etc. have been efficiently done gives him a right to compensation. Should the proprietor seek to avoid payment, he must prove that the outgoing tenant on taking possession received the manure gratis or that he pledged himself to claim nothing on leaving the farm. Otherwise custom would support the assumption that he paid for all on taking possession.

On the other hand, should the land be in bad condition, the proprietor may claim exemption from payment; if the land is overgrown with weeds, compensation may be refused or reduced. To determine the amount to be paid, an estimate must be made by one or two experts appointed by the outgoing and incoming tenants, respectively and at their expense: should the experts not agree, they or the parties concerned must appeal to a justice of the peace to appoint a third expert, both parties promising to abide by his decision, whatever it may be.

Thus disputes are settled without great expense and without legal proceedings.

The amount of compensation varies according to the value of the last

crop, the value of the manuring done, the state of the land and the appearance of the growing crops.

To fix the quantity and the value of the manures used every kind of proof may be brought forward, including the evidence of witnesses, and the outgoing tenant may be questioned and required to show receipts from the dealers in manures. But the experts generally proceed according to the usual average price.

According to some customs the outgoing tenant loses the right to compensation if he manures the ground after receiving notice to quit, unless he calls upon the proprietor or the incoming tenant to check the quantity and the value of the manure used.

The proprietor should pay the compensation, but it is more usually paid by the incoming tenant. Sometimes the proprietor requires the payment to himself of money due to the outgoing tenant as a guarantee for debts not yet discharged.

The system above described has hitherto been productive of good results. In particular it has been proved that the more accurate the valuation made by the experts is, the fewer are the complaints about the exhaustion of the soil at the expiration of the contract. But unfortunately the experts are not always competent or honest.

In the greater part of West Flanders a similar right prevails, with some differences in detail. In the provinces of Antwerp, Limbourg, Liége and Namur compensation for manuring done is almost unknown, but in Brabant, in the district round Brussels, it prevails generally. In Luxembourg it is rare, though advocated also there as a means of securing careful cultivation.

Lastly, as regards land improvement it must be remembered that the right of the tenant to build and plant is limited by the law which obliges him to cultivate the land according to its original destination. With this reservation, he may carry out on his farm any works which he may consider necessary for its improvement and for increasing its value. Authorities on the subject are agreed in acknowledging the right of the proprietor to destroy such buildings and plantations at the expiration of the contract, if he has no use for them. But if he chooses to keep them he must pay the tenant adequate compensation, fixed in some cases according to the cost of labour and the value of the materials, in others according to the increased value of the land, unless the question is dealt with in a clause in the contract. By some contracts the landlord is proprietor of buildings or plantations made by the tenant who has only a precarious ownership of them. By others every innovation of the kind is forbidden, and if made by the tenant he would not only lose all right in them, but the contract would be broken and he would be obliged to pay damages and interest.

It need hardly be said that as regards compensation for improvements the Belgians are desirous of more liberal enactments in accordance with the principles of the laws passed between 1851 and 1908 regulating the relations between landlords and tenants of rural land in England and Wales (Agricultural Holdings Acts.).

§ 3. Some bills for the reform of legislation on contracts of lease of rural holdings.

Many have been the proposals formulated and discussed by agricultural societies, economists and political men with a view to the modification of certain provisions of the Code, considered inimical to the well understood interests of both landlords and tenants of rural land, and numerous bills, chiefly regarding the duration and the publication of contracts, have been brought before the Chamber during recent sessions.

With regard to the duration of contracts without limits agreed upon, the Janson bill of July 14th., 1909 fixing them at three years must not be forgotten. The Van Ormelingen bill, also fixing a three years' limit, was presented to the Chamber on November 19th., 1912. As we have seen, in practice the usual duration of verbal leases is in Belgium one year, a period so absolutely insufficient and inadequate that the tenant cannot devote himself with zeal and care to the cultivation of his farm nor spend upon it any considerable sum. The proposed three years' duration is certainly not an ideal solution of the problem; it only seeks to guarantee the tenant a minimum of fixity of tenure, placing him in a position to occupy his holding as a good father of a family and to restore it in good condition at the expiration of the contract.

The Commission for the revision of the Civil Code (Crahay's Report), the Superior Council of Agriculture, the greater number of the provincial agricultural societies, the Belgian *Boerenbond* in its general meeting on May 31st., 1909, and the Central Society of Agriculture in 1911, have all pronounced in favour of the three years' limit.

Another important point to be decided, to which many bills have been devoted, is that of the right of the tenant to notice to quit on expiry of the contract. As has been shown there is no legal obligation to give due notice to the tenant, so that he is thus completely at the mercy of the landlord who may, when he chooses, turn him out without warning, or merely for a caprice. This situation is insupportable for the tenants, who may be ruined by being turned out at a time when there are few farms to be let. To this must be added the injury to the cultivation of the land.

As a remedy, M. A. Mechelynck brought before Parliament, in the session of November 19th., 1912, a bill which providing that the tenant of rural property by written or verbal agreement should be secure from being turned out except at the time fixed by local customs for the expiration of the contract, after a year's notice given, unless a clause to the contrary exists in his contract.

A month after this bill was proposed, it was provided in the Ormelingen bill above quoted that in the case of verbal contracts neither party could terminate the agreement without a year's notice given previous to the expiration of the three years, otherwise a new contract for three years must be made.

More recently, on January 28th., 1914, M. L. Jourez brought before the Chamber a bill to the following effect: "If in any lease of any rural holding for a given time it is provided that the landlord alone has the power of terminating it at fixed periods previously established, the tenant shall also possess the same right as the landlord and on the same conditions, any stipulation to the contrary being null and void."

These bills and others, which for the sake of brevity must be omitted, as well as the considerations explained above are sufficient to give an idea of the urgency of the needed reform and of the importance of the question on the right solution of which depends the welfare of cultivators of the land to the number of over 400,000, according to reliable calculations, all interested in having rational legislation on the subject of contracts regarding rural holdings.

DENMARK.

LATEST REFORMS IN THE MATTER OF HOME COLONISATION.

SOURCES:

We refer our readers to the bibliography at the head of the article published in our Bulletin for January, 1914. We shall only add here a few of the most recent publications, for the most part official, dealing with the subject.

LOV OM OPRETTELSE AF HUSMANDBRUG (*Law on the Constitution of Small State Farms*) No. 127, June 13th., 1914. In Lovtidenden for 1914 (*Law News for* 1914). No. 19. Copenhagen, June 24th., 1914.

FORSLAG TIL LOV OPRETTELSE AF HUSMANDBRUG (*Bill for the Constitution of Small State Farms*). In Lovforslag Ordentl. Samling 1913-14. (*Collection of Bills* 1913-14). Copenhagen.

STATISTISK AARBOG (*Statistical Yearbook*), published by the Danish Statistical Department 19th. Year. 1914. Copenhagen; Gildendaske Boghandel, Nordisk Forlag 1914.

STATISTISKE EFTERRETNINGER (*Statistical Communications*) for 1914-1915. Published by the Danish Statistical Department, Copenhagen; Gyldendaske Boghandel, Nordisk Forlag.

BETÄNKANDE I EGNAHEMSFRÅGAN, AFGIVET DEN 14 OKTOBER 1914 UTAF DE AF CHEFEN FÖR KUNGLIGA JORDBRUKSDEPARTEMENTET TILLKALLADE SAKKUNNIGE III. (*Report on the Problem of Small Holdings, Presented on October 14th.*, 1914, *by the Experts' Commission Instituted at the Agricultural Department, Vol. III*). Stockholm, 1914. J. Marcus Boktrycken Aktiebolag.

FROST (D. J.): Die innere Kolonisation in den skandinavischen Ländern (*Home Colonisation in Scandinavian Countries*). Berlin. Verlagsbuchhandlung Paul Parey.

§ 1. THE LAW OF JUNE 13TH., 1914; ITS MOTIVES AND PRECEDENTS.

Denmark was one of the first countries in Europe in which the work of home colonisation was undertaken aud in which the State made provision for the purpose by the institution of small agricultural holdings. We have already dealt with this matter; we now return to it on account of the reforms introduced in connection with it in a recent law (1), although they are only the necessary consequence of the tendency that has been more and more insisted on in previous laws on the subject, of recent date.

(1) *Lov om Oprettelse af Husmandsbrug* (Law on the Constitution of Small State Farms) of June 13th., 1914.

In fact, the work of the State in the formation of small farms has been at different times inspired by different principles. At first, the interest of the large landholders was considered, as urbanism and the disappearance of the class of agricultural labourers attached to the soil was depriving them of the labour they required and they saw in the formation of small holdings the best means of keeping agricultural labourers, in the country. In order, however, that they might remain labourers although they were landholders, the farms had to be small and such as to absorb only a part of the activity of the owners and supply only a part of their requirements. The law of March 24th., 1899 (1) on the foundation of holdings for rural labourers was inspired by these ideas.

In later laws, however, especially owing to the influence of democratic currents, principles of an opposite character made their appearance and ended by prevailing. The interest of the large farmers became a secondary matter, in view of the tendency to form an independent class of small farmers, established on their own land and sufficing for their own requirements. In this way, it has already been justly observed what was to serve as a check on the exodus of rural labour was transformed into a work of home colonisation. The very titles of the laws show the difference in their contents (2). The small holding first granted only as a help to the rural labourer has become gradually a real farm sufficient for the requirements of a family. Thus the professional character of the owner is completely transformed, and from a labourer he has now become an independent landowner.

The stages of the transformation are shown in the various laws. In fact, while the law of 1899 fixed 8 ha. as the maximum limit of the "lots" granted to labourers, the law of 1904 extended this limit to 12 ha. in districts where the soil was inferior. The law of 1909 went further, completely doing away with any limit of the area of the "small farms" and only fixing a maximum amount for the loans for the purpose ; a very wise decision from the economic point of view, since at first more consideration was paid to the material fact of the area than to the burden of the purchase price on the land.

The following figures show how the areas of the small farms have extended with the application of each law :

Small Holdings Formed Area	1900/01-1904/05	1905/06-1909/10	1910/11
Under 2.21 ha.	20 %	6 %	2 %
Between 2.21 ha. and 4.41 ha..	65 »	68 »	64 »
Over 4.41 ha.	15 »	26 »	34 »

Thus we see that holdings of very small area are founded in smaller and smaller numbers, whilst the reverse is the case in respect to larger farms.

(1) *Lov om Tilvejebringelse af Jordlodder for Landarbeider, den 24 Marts* 1899.

(2) *Lov om Tilvejebringelse af Jordlodder for Landarbeider, den 22 April* 1904. (Law of April 22nd., 1904 on the Formation of Holdings for Rural Labourers): *Lov om Oprettelse af Husmandbrug den 30 April* 1909. (Law of April 30th., 1909 on the Constitution of Small Farms).

Besides the tendency of the areas of the farms to increase has been so great as to necessitate the raising of the maximum limit fixed for the loans in earlier laws; the new laws only giving legal sanction to what was already the practice, as we see below:

	Maximum Limit of Loans — crs. (1)	Average Value of Holdings Formed — crs.
Law of 1899	4,000	4,021
» » 1904	5,000	5,317
» » 1909	6,500	6,672

With the years the small State farms have not only become larger but also more numerous. Whilst at first the applications for loans were few and hesitating, in recent years the numbers have continually increased.

TABLE I. — *Progress of the Danish Small State Farms.*

	Small Farms Formed in the Year —	Loans Granted — kr.
1900-01	209	713,770
1901-02	204	860,504
1902-03	367	1,278,629
1903-04	551	1,945,126
1904-05	485	1,732,204
1905-06	669	2,861,262
1906-07	647	2,856,379
1907-08	645	2,924,760
1908-09	662	3,133,834
1909-10	610	3,042,221
1910-11	685	4,061,459

In view of the increase in number and amount of the loans, the State had to assign larger and larger sums for the purpose. Hence the necessity of the last law of June 24th., 1914, introducing amendments of an almost exclusively financial character into the laws.

We shall briefly summarise these amendments.

The *maximum limit* for loans fixed at 6,500 by the law of April 30th., 1909, is raised to 8,000 crs. (§ 7). But even this limit may be exceeded in case of regions where the price of land is particularly high; up to the amount of 10,000 crs. In the bill the vaguer phrase was " in regions where the price of land is particularly high the limit (8,000 crs.) may be exceeded, provided the holding does not lose its character of a Small State Farm. "

(1) Crown = 1.40 fr.

It is right that the principle of an absolute limit should prevail, because otherwise very high prices might have been paid on special grounds for holdings that might have been included in the class of Small State Farms, if the expression could not be accurately defined.

The reasons for the raising of the maximum limit for the loans mentioned among the considerations on which the law of 1914 is based are the continually increasing price of land since 1909, as well as the rise in price of labour and building material.

The higher maximum limit for the loans naturally led to a greater total expenditure for the purpose. It therefore became necessary to increase the *amount* placed each year on the Estimates for the purpose. The new law raises this amount from 4,000,000 crs. to 5,000,000 crs. (§ 11).

We must, however, observe that while, in accordance with the previous law, the amount of 4,000,000 crs. a year was assigned for the purpose for 5 years, by the present law 5,000,000 crs. is assigned annually for three years from April 1st., 1915, on which date the five years expire for which the amounts were assigned by the law of 1909.

The general rise in price of money has necessitated the raising of the *rate of interest* on loans for small farms from 3 to 4 %. Even with this increase the rate asked by the State is still less than the usual rate and, by comparison, is not high. " The experience of previous years, " says the comment on the bill, " shows us that a very low rate often means that the small State farmers have to buy their land at a disproportionately high price; so that the financial assistance given by the State at low interest principally benefits the sellers instead of the small State farmers it is desired to assist. "

The new law finally introduces some amendments in regard to *supplementary loans*. These are, however, only a necessary consequence of the higher maximum limit of the loans, because it was right that the older State colonists should be permitted to share in the benefits granted under the new law. In this way, the owners of Small State Farms constituted in conformity with the laws of March 24th., 1899, April 22nd., 1904 and April 30th., 1909, may obtain, provided they apply before April 1st., 1917, supplementary loans for special purposes, (purchase of land for enlargement of their holdings — clearing of waste land belonging to the farm or improvements of radical character — enlargement of the buildings necessitated by increased farm work). The supplementary loan, which may amount to $^{9}/_{10}^{\text{ths.}}$ of the increased value of the farm, may not exceed the amount of the difference between 7,002 crs. and the amount of the loan already received.

The supplementary loan can only be granted once and preference is to be given to those who have had no other supplementary loans, in virtue of the law of April 30th., 1909. The amounts required are provided by the Treasury.

For the supplementary loans also the rate of interest will be raised from 3 % to 4 %, as in the case of loans for the constitution of new State farms.

§ 2. Some more recent statistics on the small state farms last constituted.

In conclusion, we reproduce, some information in regard to the constitution of Small State Farms from the *Statistisk Aarbog* (Statistical Yearbook) for 1914 and the *Statistiske Efterretninger* (Statistical Communications) published by the Danish Statistical Office, which will bring the information previously published by us up to date (1).

In regard to the age, condition and occupation of the purchasers, the yearbook gives no more recent information than that already published by us referring to the date of April 1st., 1911.

But with regard to the constitution of the new farms we learn that during the financial year 372 were founded by means of State loans of a total amount of 2,316,655 crs. As regards territorial distribution (not considering the district of the city of Copenhagen) most of the farms have been founded in the district of Holboek (53) and least (2) in the districts of Skanderborg, Assens and Bornholm. Of the farms formed in 1913-14, 159, for which loans of about 1,000,000 crs. were granted, were on the islands and 213, for which loans of about 1,317,000 crs. were granted, on the mainland, that is in Jutland.

Altogether, the number of Small State Farms formed in 1913-14 and the amount lent by the State were less than in previous years, as is seen from the following table :

Table II. — *Farms Formed in the Various Years and State Loans Corresponding.*

Financial Year	Number of Farms Formed	State Loans (Round Numbers)	Average Loan per Farm
		crs.	crs.
1909-10	610	6,042,000	4,987
1910-11	685	3,461,000	5,928
1911-12	498	2,989,000	6,002
1912-13	470	2,919,000	6,211
1913-14	372	2,317,000	6,228

The same tendency is apparent in the whole country, both on the mainland (Jutland) and in the islands.

(1) See the number of this Bulletin for January, 1914.

TABLE III. — *Average Loans Granted for Formation of State Farms on the Mainland and in the Islands of Denmark.*

	Islands — crs.	Jutland — crs.
1st. April 1910 — 31st. March 1911 . . .	5,936	5,929
1st. » 1911 — 31st. » 1912 . . .	5,980	6,002
1st. » 1912 — 31st. » 1913 . . .	6,076	6,210
1st. » 1913 — 31st. » 1914 . . .	6,286	6,228

The *average amount* of the loans is, as, we see almost the same and increases with no appreciable difference in the proportion. The general average loan per farm in the years from 1900-01 to 1913-14, was 4,821 crs. in the islands, and 4,726 crs. in Jutland.

This confirms what we have already said in regard to the increase in the amount granted per loan, while both the number of the farms constituted and the total amount granted by the State are decreasing, the reverse is the case with the average per loan, which will doubtless still further increase after the law of June, 1914 comes into force.

From the date of the coming into force of the 1909 law to the close of the financial year 1913-1914, the State granted in loans of this character, about 33,600,000 crs.; adding the supplementary loans granted in conformity with the 1909 law, amounting in the last four years to 2,800,000 crs., we get a total of 36,400,000 crs. This sum has served to form and increase 7,117 small farms, a really important number in a small State like Denmark with a population, in 1914, of only 2,889,000.

ITALY.

PERIODICAL MIGRATIONS OF AGRICULTURAL LABOURERS.

SOURCES :

LE CORRENTI PERIODICHE DI MIGRAZIONE INTERNA IN ITALIA DURANTE IL 1905. (*Periodical Migration Currents in Italy in* 1905). Ministero di Agricoltura, Industria e Commercio. Ufficio del Lavoro. Rome, 1907.

LE CORRENTI PERIODICHE DI MIGRAZIONE INTERNA OSSERVATE IN ITALIA NEGLI ANNI 1910 E 1911. (*Periodical Migration Currents in Italy observed in* 1910 *and* 1911). Ministero di Agricoltura, Industria e Commercio. Ufficio del Lavoro. Rome, 1914.

LE MIGRAZIONI PERIODICHE INTERNE DEI LAVORATORI AGRICOLI. Principali movimenti migratori nel 1903. (*Periodical Migrations of Agricultural Labourers. Chief Migratory Movements in* 1913). Ministero di Agricoltura, Industria e Commercio. Supplement to the *Bollettino dell'Ufficio del Lavoro*. No. 25. Rome, 1914.

Periodically, at certain seasons of the year, large numbers of agricultural labourers migrate for a time from one province of Italy to another, for the performance of agricultural work of various kinds. As has been justly observed (1), these periodical currents of migration give quite a special character to the national agricultural economy. For this reason, the National Labour Office has since 1904 given them its careful attention and collected statistics in regard to them. (2).

This important movement is due to the fact that a large proportion of the inhabitants of the Italian agricultural regions cannot exist only on the

(1) See the Report on the " Mobilità della mano d'opera in agricoltura " (*Migratory Movements among Agricultural Labourers*), presented by Prof. Giovanni Montemartini, General Manager of Statistics and Labour, at the first International Congress of Agricultural Associations, held at Brussels from September 18th. to 22nd., 1910. Acts of the Congress, Brussels, Goemaere Press, 1910.

(2) The Labour Office at the Department of Agriculture, Industry and Commerce, which already in 1904, 1905 and 1906 had furnished special monthly statistical reports of the periodical migratory currents, resumed the study in 1910, addressing itself for information to the communal administrations through the medium of the prefects and subprefects and making enquiries of the mayors of the communes, both of those from which the labourers migrated and those to which they migrated. After 1910, the enquiries were continued, but were limited to the principal currents of agricultural seasonal migration.

yield of the land of the locality in which they are born and live, and so must go elsewhere to look for work. This work it is possible to find in some regions of Italy itself, especially in the provinces of Novara, Pavia, Rome and Foggia, where at certain seasons of the year and for certain work there is a great demand for additional labourers.

The above mentioned currents serve spontaneously to adjust the balance as regards labour supply and demand, between the different regions and provinces at the different seasons of the year, and supply the want of labourers in one place out of the excess to be found in another more or less neighbouring locality, promoting at regular periods the necessary exchange between the different territories.

As the nature of the movement is principally economic, and is of special interest for Italian agriculture, we must mention its most important features here as ascertained by the official enquiries.

§ 1. Principal characteristics of the periodical migrations considered in relation to the national economy.

In this first section we intend to bring into relief the most characteristic features of the periodical currents of migration observed in Italy and the principal results of the various statistics published. In a second section, in order to give a concrete idea of the movement, we shall summarise the information obtained in regard to the most important migratory movements of agricultural labourers in 1913.

Importance of the Migrations and the Work. — A first general conclusion is that the migrations of agricultural labourers increase and diminish according to the amount of agricultural work. Thus, in the first four months of the year when little work is done in the country or only what can be done by ordinary labourers, the migrations are rather unimportant. As in fact we see from the recent statistics of the periodical currents observed in Italy in 1910, in the January of that year in the whole Kingdom only 16,285 labourers left their homes in search of agricultural labour and in February 20,554 (in the corresponding months of 1905 the figures were 18,500 and 14,500 respectively); in March the number diminished (18,889), to increase again in April (24.815). The year 1905, on the other hand, showed a gradual increase of migrating labourers, with 33,000 in March and 34,000 in April.

In May and June, however, and in the first half of July, there is a large accumulation and sequence of agricultural operations, especially in certain places, demanding many labourers and presenting a certain urgency (hay making, cultivation of silkworms, weeding ricefields, reaping); then, the local labourers no longer suffice and the number of migrants increases considerably (100,361 migrants reported in May, 169,957 in June and 59,395 in July, 1910, as compared with 116,500 in May, 201,000 in June and 83,000 in July, 1905). In August there is a suspension of agricultural work and

consequently also a suspension of the migrations (18,500 peasants migrating in 1905 and 12,337 in 1910).

With the harvest of hemp, rice, maize, grapes, olives and citrus fruits, the work of the rural districts again increases and leads to a new period of migratory movement (63,502 agricultural labourers migrating in September, 34,795 in October and 26,883 in November, 1910). In December, finally, agricultural work ceases in almost the whole of Italy and so the number of migrants fell to 11,661 in that month in 1910.

Term of Migration. — This depends generally on the time taken by the labour to be performed and, as this is very variable, the period during which the migrants are absent from their homes also varies considerably. However, the migrants often stay for only a part of the work and for the remaining period they are substituted by others of the same or other provinces, or the local labourers may be sufficient, or every peasant may often go to the same place for the same work, alternating periods of absence with periods of residence at home. In the Alban hills, for example, the migrants from the Sabine province do not remain for the whole of the season of hoeing and pruning vines, but work in turns for a month or two.

Sometimes, however, the migrant does not come only for one class of work; hay making and reaping, reaping and threshing, vintaging and wine making often occupy the same migrants. Sometimes, finally, the same group of migrants makes a kind of excursion in various localities, stopping in each to do the same kind of work; this is the custom of several reapers of Basilicata, the Capitanata and Sicily.

With regard to the period of residence, it has further been found that the migrations for a long period are those undertaken to localities at the greatest distance from the homes of the migrants; in the province of Rome, indeed, migrants occupied from autumn to summer come from the Provinces of Forlì and from the Marche ; in the low plains of Foggia, the migratory labourers, come for the same period from the province of Aquila etc. On the other hand, migrations for short periods generally correspond with short distances. Yet, the quantity of migrants does not seem to be in any close relation with the distance travelled and the length of the term. We find, in fact, migratory currents between provinces at comparatively great distances from each other for terms of several months, bringing a small number of individuals and there are others entirely or almost entirely within a single province and lasting a very short time, but of very considerable importance as regards the number of persons migrating.

Wages and their Influence on the Migratory Movement. — As observed above, the movement under consideration is chiefly economic in character ; wages have therefore considerable influence upon it. From the first statistical return of the periodical currents of migrations, for the year 1905, it could be seen that the migratory movements act almost as a corrective, in regard to the constantly changing demand for labour. And more precisely they tend to equalise the supply of labour by means of the regulative action of the profits that cause the departure of a larger number of labourers the lower they are and again attract larger numbers of labourers

the higher they are. The ideal result of these migratory currents, — it is observed in the introduction to the statistical return for the years 1910 and 1911, above mentioned — would be to substitute for labourers for so many small markets closed others from the larger markets, between which the wages could fluctuate and adjust themselves until the required stable level is established. As the difference between the conditions of exchange in two localities increases, the rapidity and intensity of the migratory stream also increases. Now, evidently, the cost of transport, in money and discomfort, is the principal obstacle to the effective direction of the currents. If, indeed the cost is high, it contributes largely to the difference between the real wages obtained in the regions in which the migrant arrives and the wages he considers he could obtain remaining in his own country.

But, in practice, the cost of transport is not the only circumstance that arrests or reduces the migratory currents. In fact, the equalisation referred to that must take place between the regions from which the migrants come and those to which they go is not always arrived at, and the less frequently, according as the work to be done occupies less time or is more urgent. The wages for reapers, for example, vary considerably from one place to another and from one day to another ; sometimes, owing to scarcity of labourers, they rise to an unexpected degree ; again, owing to the unforeseen arrival of numbers of labourers out of proportion to the demand, they fall so much as not to give the newcomers any appreciable profit etc.

Losses Suffered by the Agriculture of the Districts the Migrants Leave. — If, again, the migratory currents generally benefit the labourers, they are not always suited to the requirements of the agriculture of the districts deserted. Sometimes, in fact, the peasant is attracted to other localities by higher wages, while in his own district the country is suffering from want of labourers, nor is the yield obtained by the landowners such as to allow of their paying high enough wages to induce the peasants to remain. However, as a matter of fact, it may be said that complaints in this sense, from the farmers of the districts abandoned are none too frequent to-day in Italy.

Migration in relation to the Altitude of the Districts. — The altitude of the district has its influence on the movement under consideration. In fact, in mountainous regions, the presence of many labourers in the winter would be of no advantage to themselves or to the district. The cold and the snow indeed prevent outdoor work for several months ; the area of the fields cultivated is, besides this, limited, and the nature of the soil does not permit of deep ploughing, so that the people prefer to migrate rather than remain in compulsory idleness.

But differences of height exert an influence also in another direction. The seasons for agricultural labour depend, as we know, on the climate, which, in its turn, varies with the latitude and altitude. Now, when two regions of different climate, for example, a mountainous and a low lying region, are near each other, the different periods at which the same labour has to be accomplished in them renders it possible for the inhabitants of

the colder district to migrate to the warmer one for the work, returning home some days or some weeks later in order to do the same work in their own country.

Various Causes of Migrations. — Amongst the various causes that may give rise to migratory currents we must note changes in the character of the farming. In the provinces of Emilia, for example, the area of the ricefields has diminished in recent years, and this has led in some parts to a great deal of unemployment in June, when the ricefields are weeded, a work calling for many hands. To-day, a large part of the agricultural population, in order not to remain unemployed, is forced to migrate to the ricefields in the districts of Lomellina, Novara and Vercelli.

The need for supplementary labourers is also determined, at certain seasons of the year, by the special requirements of certain kinds of farms. Thus, extensively cultivated farms are hardly worked at all in certain months and require only a few labourers in many other months, up to the date of the harvest, when, on the other hand, much harder and more careful work is necessary. The Roman Campagna and the Apulian Tavoliere, which are perhaps the largest centres of seasonal agricultural migration in Italy, in fact, have a preponderance of *latifundia*.

Another reason for migration is the prevalence, in certain districts, of particular crops, requiring, when certain works have to be done, a larger number of labourers than is usual in the year. Thus, where vineyards predominate, hoeing, digging and pruning in spring and the vintage in autumn require more or less considerable numbers of labourers. This is the case in North Italy, in the districts of Voghera and Monferrato, in Central Italy in the Alban hills, and in South Italy, especially in the communes of Cerignola (Foggia), Barletta (Bari) and Brindisi (Lecce).

Another typical case is that of the ricefields, in which, for the weeding in June and the harvest in September, the number of labourers available in the rest of the year is far from sufficient.

Finally, there are often reasons of health that prevent the labouring population remaining in a particular district in certain months of the year.

Effects of the Introduction of Agricultural Machinery. — There is no doubt that the use of machinery for agricultural business affects the demand for labour, rendering it less acute and thus tends to reduce the migrations. In particular, the continual increase in the use of machines for threshing corn has reduced the number of working days formerly needed for the purpose and thus has shortened the term of residence of many migratory labourers who formerly were employed for threshing immediately after the reaping.

Migration and Emigration. — It is difficult to say whether emigration to foreign countries has an appreciable influence in reducing migration within a country itself and if so to what extent. It is clear, in any case, that the influence of emigration must be observable more than anywhere else in connection with those migratory currents that present the greatest resemblances with it, that is with migrations for long periods, as for example those of the labourers who pass the winter

in the provinces of Rome and Foggia. In fact, the question often spontaneously suggests itself to these labourers obliged to absent themselves for long months from their homes, and deriving a large part of their year's income from their earnings as migrants, whether they would not find it more profitable to cross the frontier instead of following the traditional current to the Roman Campagna, the Apulian Tavoliere and the Maremma.

Emigration has a more general effect on the equilibrium of the home labour market, and, in order to attract labour, the average of the wages paid has necessarily been raised considerably. To attribute the increase in the wages paid to agricultural migrants from other parts of Italy and the increase in agricultural wages in the Kingdom solely to emigration would be an error ; but it is, however, certain, as appears in the introduction to the statistical report for 1910 already mentioned, that the farmers, in those districts where the proportion of migrant labourers employed in the year is important, have found themselves obliged to raise the rate of wages considerably so as to reduce the advantages of emigration for labourers.

Migration of Women. — It is men who furnish the largest contingents (76.98 % in 1910) to the periodical migrations, especially in South Italy. Women predominate in the migrations for weeding of rice fields and constitute about two thirds of the number migrating for the purpose. A considerable proportion of women also migrate for the harvesting and husking of rice and for work in connection with silkworm rearing. A large number of women are attracted, but always chiefly in North and Central Italy, to the work of weeding wheat and maize fields, cleaning vines, mowing, gleaning, binding and stacking sheaves, the vintage and the olive harvest. For the most part their work is subsidiary or supplementary to that of the men. Sometimes the women follow the gangs of migrants in order to prepare their food for them.

Recruiting of Migrants. — The migrants are recruited either directly or through intermediaries. The recruiting may be direct when the migrants go to seek employment on chance, as do a large number of the reapers or when they engage themselves for special labour in advance either by word of mouth or in writing. This is especially done by labourers who engage themselves for the picking of mulberry leaves and silkworm rearing.

When, on the other hand, the migrant has recourse to an intermediary, this may either be a registry office, or the league or trade union or federation of which he is a member, or finally an agent who recruits labourers and makes his profit out of the business. Unfortunately, the last is still the most usual course in Italy. In fact, after the experiment of the labour bureau founded in 1904 by the "Società Umanitaria" of Milan for labourers for the ricefields of Novara, the only effort of collective character of any importance in connection with the recruiting of labourers has been that made in 1909 by the National Federation of Agricultural Labourers, which has the

problem still under its consideration and in many congresses has formulated its desires and established programmes for carrying them out.

The Italian Government, however, has shown its interest in the matter and has laid a proposal before the Chamber of Deputies for the institution of inter-regional labour bureaux to obtain labourers for agriculture and public works, by means of which it is proposed to regulate the periodical currents of migration and to facilitate permanent migration to those those provinces of the Kingdom that have most need of labourers for agriculture and public works. The expenditure for the constitution of these bureaux must be defrayed in equal proportion by the State, the provinces, the communes and other local bodies and private individuals. The bureaux must be made to harmonise with each other after a suitable manner.

Facilitations for Travel and Means of Transport Selected by Migrants and Emigrants. — Special facilities are granted on the Government Railways to peasants travelling in groups to work, generally " to Italian working men and women and day labourers of both sexes who travel third class at their own expense in groups to work in one and the same locality in the Kingdom, or to temporary work outside of Italy (but only to European countries or to countries along the shores of the Mediterranean), or return from such work, provided they all travel between the same two stations. When travelling within the Kingdom or on their forward journey to foreign countries, the travellers must form a group of at least five adult persons, or pay the corresponding charge. "

These facilitations are granted even when the working men or women travelling within the Kingdom, after completion of their work in a given locality, instead of returning home, have, for reasons of their work, to visit other places.

For the purposes of the concessions, the terms" working men and women and labourers " include " peasants, that is to say agricultural labourers and all those engaged in field labour ", always provided that they are " in the service of others and receive daily wages ".

The concession granted in the case of journeys within the Kingdom amounts to a reduction of 50 % or 75 % of the ordinary charge, according to the distance.

Under these circumstances, it is easy to understand why a considerable proportion of the periodical agricultural migrants in Italy travel by rail; however, there are not wanting those who travel to their work on foot or in carts, even fairly long distances.

Conflict of Interests of Migrants and Local Labourers. — Finally, one of the most interesting points in regard to the periodical migrations is the conflict of interests they excite between the local and the migratory labourers. The former seek by various expedients to prevent the competition of the latter. The steps most commonly taken by the local labourers to prevent this competition are limited to the insertion in the agricultural contracts made on the termination of strikes of a clause for the absolute exclusion of migrant labourers from participation in agri-

cultural work within the region to which the contract applies; or, as is more frequent, in cases of agricultural agitations, to compelling the acceptance of the clause of the simple preference of local over migrant labourers. But in practice this preference of the local over the migrant labourers sometimes cannot be allowed, because while it is important for the proprietors to be sure of obtaining the labourers they need at the proper time, the local peasants refuse to make contracts in advance, in the hope of being able, when the moment arrives, to profit by the urgent nature of the work.

§ 2. Some information in regard to the principal migrations of farm labourers in 1912.

As results from a recent enquiry held by the National Labour Office, the principal migratory movements of agricultural labourers in Italy in 1913 were (*a*) to the provinces of Vercelli, Novara and Pavia, in May and June for the weeding of the rice fields ; (*b*) to the provinces of Foggia, Potenza and Rome in May, June and July ; (*c*) for the rice harvest in August and September ; (*d*) to the provinces of Grosseto, Foggia and Rome in the months from August to December. Let us now shortly consider each of these movements.

First of all, the labourers migrating to the most important regions of rice cultivation, for the work of weeding the fields, numbered, in the year in question 50,261 persons of both sexes, showing an increase not so much in regard to 1912 as to 1911 and 1910. The number of migrants in 1913 exceeded that for 1910 by 5,233.

The districts to which the migration is principally directed are those of Vercelli (14,860 migrants) and Mortara (13,195) ; next come the districts of Novara (10,930) and Pavia (6,262). There were also 5,014 migrants to less important centres of rice cultivation.

The total earnings of these migrants in addition to their board, were, according to the calculations of the Labour Office, 4,072,644 frs. or an average of 81 frs. per labourer.

The migrants in the period from May to June to the province of Foggia for the work of reaping and threshing in 1913 were almost equal in number to those in the preceding year, but fewer than in 1911.

The total number of migrants amounted in fact to 30,425 in 1913 as against 29,993 in 1912, 41,744 in 1911 and 29,766 in 1910.

Their total earnings amounted to 4,430,613 frs. including board. On an average the migrants, both men and women, as their earnings were almost the same, received 145 frs. for 38 days of actual work, or four frs. a day. From this, however, must be deducted the cost of the forward and return jorney and board.

The migrants to the Province of Potenza for the work of reaping and threshing and other agricultural work have, however, decreased in number

as compared with previous years. There were in fact 12,074 in 1910, 13,937 in 1911, 11,346 in 1912 and 10,367 in 1913.

The total earnings of these migrants were calculated by the Labour Office at 1,280,455 frs. for 1913, or an average of about 123 frs. per migrant.

The migrants to the Province of Rome in May, June and July were 43,742 in all, 34,008 men and 9,734 women.

The total earnings of these labourers amounted to 4,116,491 frs., 3,625,191 frs. earned by the men and 491,300 frs. by the women. On an average each migrant earned 94 frs. in the whole season. It is however, to be observed that in this amount the cost of board is included, when it was supplied to the labourers by the masters as complement of their daily wages. And as the average working days are 27, the average daily wage would be 3.50 frs. But the wages of the men are higher than those of the women. The men would, however, have earned in the season 106 frs. giving an average of about 4 frs. a day, and the women 50 frs., or an average of 2 frs. a day.

The total number of migrants (men and women), in 1913 to the more important centres of rice cultivation in Italy, for the harvest, was 24,997.

The migrants in the year considered were 6,235 more than in 1910, 5,291 more than in 1911 and 1,078 more than in 1912.

The amount of the total earnings as calculated by the Labour Office was 2,256,295 frs. or an average of 99 frs. per migrant. For the men, whose total earnings amounted to 1,614,516 frs., the average is somewhat higher than for the women, whose total earnings amounted to 641,779 frs.; the average per man was 99 frs. for the whole season ; the average woman's wages amounted to 75 frs. Bearing in mind that the average number of working days is about 22, according to the figures given for the communes migrated from, and 23, according to those for the communes migrated to, the daily wages would be about 4 frs.

The migrants to the province of Grosseto in 1913 were 7,756 ; the number was therefore somewhat less than in 1912 (9,160) and 1913 (9,303) and on the other hand higher than in 1910 (4,571), in which year, owing to the bad harvests, there was very little demand for labourers. As regards the class of work, for which they engaged, the migrants were distributed as follows in 1913 : for the vintage, 149; for the olive harvest, 1,099, for other agricultural work, 3,188 ; for cattle herding 929; for work in the forests 2,391.

In the autumn the migrants to Foggia in 1913 came from Emilia, Tuscany, Umbria, Latium, the Abruzzi and Molise, Campania and Apulia. Apulia contributed the largest contingent. Indeed, in a total of 22,414 migrants, 16,223 came from various districts of Apulia, especially from the provinces of Bari and Foggia. The migration from the Abruzzi was also considerable (4,030) ; the contingent from the other districts was small.

In comparison with previous years, the migration in 1913 was very important. In fact, the migrants in 1910 were 13,910 less than in 1913, 4,460 less than in 1911 and 6,694 less than in 1912.

The majority of the migrants (7,398) came for the vintaging and various kinds of agricultural work. The rest of them were occupied with the herding of cattle (3,898), forest work (2,402) and the olive harvest (1,475).

Finally, the migrants to the Province of Rome were 35,211, of whom 27,409 were men and 7,802 women.

Comparing these figures with those for previous years, we find that the labourers from other provinces required for the Roman province were 5,475 less than in 1912, 6,812 less than in 1911 and 18,788 more than in 1910.

The work in which most of the migrants were engaged was miscellaneous agricultural work (13,617 labourers), cattle herding (11,939) and forest work (5,142). The vintage and the olive harvest employed respectively 3,017 and 1,946 labourers.

The migration to the province of Rome, has, in contrast with the other principal migratory movements above considered, a special characteristic ; the labourers, that is to say, generally, come to the Province of Rome not with the intention of performing only certain definite work, but with that of remaining the whole winter and returning to their own communes at the beginning of spring. In fact, when all the work of the vintage, the harvesting of the olives and the sowing is finished, some of the migrants remain to work in the vineyards, to prepare the soil for other crops, or they occupy themselves with miscellaneous agricultural or forestry work. Those who migrate for the herding of cattle return home, as a rule, towards the beginning of April. It is therefore not correct to limit the period of this migration to the months from August to December inclusive. But this was done on account of difficulties not easy to explain. The figures we have given above in regard to the extent of this migratory current may, however, be considered sufficiently accurate.

UNION OF SOUTH AFRICA.

THE LAND SETTLEMENT ACT OF 1912.

SOURCES :

REPORT OF THE SELECT COMMITTEE ON THE LAND SETTLEMENT BILL. Printed by Order of the House of Assembly. March, 1912. Cape Town : Government Printers. 1912.

SUMMARY OF THE MAIN PROVISIONS OF THE LAND SETTLEMENT ACT, No. 12 OF 1912. Memorandum issued by the Department of Lands, Pretoria, for the information of Resident Magistrates.

ANNUAL REPORT ON THE WORK OF THE DEPARTMENT OF LANDS [1912 and 1913]. Cape Town : Government Printers. 1913 and 1914.

INTRODUCTION.

It would be impossible, within any limits less than those of a fair-sized volume, to deal with the whole question of land settlement in South Africa. Even without entering upon anything in the nature of an historical study of the subject, a description of the process of land settlement as being carried out at the present time in the various Provinces of the Union would in itself be a task of no small length and of considerable intricacy. The mere enumeration of the laws and ordinances relating to the disposal of Crown lands is calculated to discourage all but the most earnest enquirers. The list is printed as an Appendix to the Report of the Select Committee on the Land Settlement Bill. The Report in question was issued in March, 1912, and at that date the number of Acts and ordinances was as follows: In the Cape of Good Hope 25 ; in Natal 5 ; in the Transvaal 2 ; in the Orange Free State 7. Add to these the Land Settlement Act of 1912, which applies to the whole of the Union, and we have the respectable total of exactly forty legislative measures relating to land settlement in South Africa, — and this without taking into account a number of proclamations issued from time to time by the Governors of the different Colonies and included in the list already referred to.

The acts mentioned do not in every case relate to the disposal of agricultural land. They are, indeed, as bewildering in their variety as in their number, dealing as they do not only with the disposal of Crown lands to private persons, but also with grants of land to missionary institutions and to native chiefs, with the expropriation of land for

public purposes, with the establishment of indigent settlements, with the reservation of certain lands for settlement by natives, and with Government schemes for irrigation colonies. Not all the acts, naturally, are of equal importance. Some have been found on trial to be unsatisfactory and, though nominally still in force, have ceased to be applied. Others again are really in the nature of special acts which have been passed either in order to regulate the legal position of a very small group of settlers whose original occupation of the land has perhaps been irregular, or with the object of disposing of some small parcel of Crown land whose settlement for one reason or another cannot be effected under the provisions of any of the general settlement acts.

When the Union of South Africa was formed, land settlement legislation in each Province was left untouched, and when the Land Settlement Act of 1912 was passed and applied to the whole country it repealed none of the existing acts or proclamations. A broad distinction may fairly be drawn, therefore, between land settlement under pre-Union acts, — which may be proceeding upon very diverse lines in the different provinces, — and land settlement under the Act of 1912 which is taking place upon uniform lines (though not at a uniform rate) throughout the whole of the Union.

In this paper we shall confine ourselves to an examination of the Act of 1912 and a brief account of the progress of land settlement under its provisions up to the end of 1913.

§ 1. The main provisions of the act.

Speaking generally the Act is designed to assist the man of moderate means, who possesses the qualities necessary for making a successful farmer, to secure the ownership of a medium sized farm through the payment to Government of the purchase price in instalments spread over a period of about twenty years. It sanctions the purchase of land for settlement purposes, but does not confer any power to expropriate land.

Provision is made for the appointment of Land Boards for any part of the Union, provided that the number of such Boards shall at no time exceed five. Each Land Board consists of five members, of whom three at least must possess a knowledge of land values and farming conditions within the area served by the Board. The functions of the Land Boards are of an advisory nature. Every proposal to acquire land must be submitted to the Land Board concerned which is required to report to the Minister of Lands as to: (*a*) the value of the land in question and its suitability for settlement purposes; (*b*) the nature of the improvements thereon and the water supply ; (*c*) the extent of the demand for land in the neighbourhood and the possibility of subdividing the land which it is proposed to acquire. If the land is considered suitable for settlement purposes the Board fixes the maximum price which should be paid for its acquisition

and recommends to the Minister the terms upon which it should be offered for settlement.

Land available for settlement is divided into holdings which vary in size according to the nature of the land, its proximity to markets, etc., and applications are invited for its occupation. Applicants must possess the following qualifications :

(*a*) be eighteen years of age at least ;

(*b*) be so qualified as to be able to make good use of the land ;

(*c*) intend in good faith to occupy personally and develop the holding ;

(*d*) be of good character ;

(*e*) possess sufficient capital to work the holding beneficially, or possess such amount of capital as after report by the Board the Minister may deem fair and reasonable ;

(*f*) intend in good faith to develop the holding for the exclusive benefit of himself and family, if any.

Holdings are allotted on lease for a period of five years upon the following terms. For the first year no rental is charged; for the second and third years rent is charged at the rate of 2 per cent. per annum on the vauation; and for the fourth and fifth years at the rate of 3 ½ per cent. per annum on the valuation.

The allottee has the option of purchasing his holding either during the term of his lease or after its expiration, upon payment of the purchase price (*i.e.*, the valuation fixed by the Board) in forty half-yearly instalments payable in advance. He may also pay off the balance of the purchase price at any time in instalments of not less than £ 100. The most important conditions as to occupation and improvement of holdings are that the allottee shall reside upon his holding and make it his ordinary place of abode for at least eight months in every year, and, if the holding upon his taking possession consisted of unimproved land, shall in the first five years of his occupation effect improvements to the value of at least 10 per cent. of the purchase price.

Advances may be made to lessees under the Act for the purpose of providing them with stock and implements for the beneficial working of their holdings, but such advances may not exceed 50 per cent. of the capital expended by the lessee upon the improvement of the holdings, and the total amount of the advance to any allottee must not exceed £ 500. The advances bear interest at 4 ½ per cent. per annum and are repayable in seven half-yearly instalments, the first of which becomes due and payable from eighteen months to two years after the date on which the advance is made.

One section of the Act which, it is hoped, will yield good results in providing a useful class of settler, empowers the Government to acquire a particular piece of land on behalf of an applicant, provided that the latter is willing to contribute at once one-fifth of the purchase price. If an application under this section is approved the Government pays the balance of the purchase price and this sum, plus any additional expense incurred by the Minister of Lands, and with interest at 4 per cent. per annum, is

repaid by the allottee in forty half-yearly instalments. In the case of land allotted under this section there is no preliminary period of lease.

Whether land has been acquired and allotted as part of a general scheme or purchased on behalf of a particular applicant it is subject to the same provisions regarding the issue of a Crown grant. These provisions are as ollows: (*a*) Not less than ten years must have elapsed since the date of the commencement of the lease; (*b*) all the instalments of the purchase price and all other moneys due to Government must have been paid; (*c*) the lessee must have complied in all respects with the provisions of the Act and the terms and conditions of the lease; (*d*) the lessee must be a British subject.

Further, until the issue of a Crown grant, even if all moneys due to Government have been paid, the lessee shall continue to occupy his holding under the terms of the lease and the provisions of the Act. Thus, for example, an allottee who has paid the whole of the purchase price within five years of his taking possession remains subject to the provisions as to occupation and improvement for another five years, — the object of this provision being to secure the beneficial occupation of all holdings and prevent speculation in land.

§ 2. Proceedings under the Act up to December 31st, 1913.

The Act did not come into force until October 16th, 1912, so that in that year there was hardly time for operations to be carried out under its provisions. Under Section 3 of the Act, four Land Boards were appointed, one for each of the Provinces. Under Section 11, which empowers Government to purchase a particular piece of land on behalf of an applicant, the number of applications dealt with was 57, of which 19 were approved, 25 were refused and 13 were abandoned by the applicants. A number of farms were offered to Government for general settlement purposes but only one farm, or rather a portion of one farm, in the Heidelberg District of the Transvaal was acquired. The area of the land purchased was 1,369 morgen (1) and the price £ 4,921. Eighteen farms with an approximate area of 22,188 morgen of Crown land were gazetted for disposal during the year, but none had been allotted by December 31st, as the period of notice required when land is offered for settlement had not then expired. It must, however, be remembered that during 1912 a considerable number of farms were allotted under pre-Union Acts. It is not always expedient to deal with land under the Land Settlement Act even when such land is suitable for allotment under the provisions of that Act. It is often advisable to dispose of it under pre-Union Acts in order to preserve uniformity of tenure.

(1) A morgen is equal to 2 $^{1}/_{3}$ acres.

During 1913 the number of applications for land under Section 11 of the Act was 294. Particulars relating to the applications received under this section since the Act came into force are shown in the following table:

TABLE I. — *Applications dealt with in* 1912 *and* 1913 *under Section* 11 *of the Land Settlement Act.*

Number of Applications	Area	Valuation	Approximate Average Area of Holdings	Approximate Average Valuation of Holdings	Approximate Average Price per Morgen
Totals for the Union during the year 1912.					
	Morgen sq. rds.	£	*Morgen*	£	£ *s d*
Approved..... 19	19,295 —	34,263	1,015	1,803	1 15 6
Refused..... 25	21,072 —	70,269	843	2,811	3 6 8
Abandoned ... 13	8,973 —	19,534	690	1,503	2 3 6
Total... 57	49,340 —	124,066			
Totals for the Union during the year 1913.					
	Morgen sq. rds.	£ *s. d.*	*Morgen*	£	£ *s d*
Approved.... 100	45,745 140	153,123 14 3	457	1,531	3 6 11
Refused..... 90	53,241 276	165,413 12 4	591	1,838	3 2 2
Abandoned... 84	59,641 550	138,870 5 0	710	1,653	2 6 7
Under Consideration..... 20	9,196 544	28,439 2 6	460	1,422	3 1 10
Total... 294	167,825 310	485,846 14 1			

The number of holdings actually allotted under Section 11 up to December 31st, 1913, was 76. The number of settlers concerned was 104, some of the holdings being occupied by two or more settlers in partnership. The total amount of land allotted, with particulars of the price paid, is shown in Table II.

TABLE II. — *Land purchased and transferred to applicants under Section* 11, *up to December* 31*st*, 1913.

	Morgen	Net Amount Paid by Government			Contribution Paid by Allottee			Inspection and Transfer Costs			Total Purchase Price		
		£	*s*	*d*	£	*s*	*d*	£	*s*	*d*	£	*s*	*d*
Transvaal	28,171½	66,259	5	9	17.039	5	6	1,724	0	6	85,022	11	9
Orange Free State	12,936	31,443	12	5	7,861	10	9	1,436	2	4	40,741	5	6
Cape	5,000	2,000	0	0	500	0	0	21	6	1	2,521	6	1
Natal	1,519½	5,582	13	8	1,400	8	6	108	7	1	7.091	9	3
	47,627	105,285	11	10	26 801	4	9	3,289	16	0	135,376	12	7

During 1913 the amount of land purchased for general settlement under Section 10 of the Act was 27,175 morgen, all of which was in Natal. This amount, with the 1,369 morgen purchased in 1912 in the Transvaal area, makes a total of 28,544 morgen purchased under the Act up to the end of 1913. The total purchase price, including cost of transfer, was £54,724 3*s* 8*d*. Of this land an area of 10,720 morgen in Natal had been allotted on five years' lease with option of purchase. In addition there had been allotted 111,309 morgen of ordinary Crown land making a total of 122,029 morgen allotted up to December 31st, 1913, under the provisions of the Act which relate to general settlement (Section 16) (1). This land had been allotted in 127 holdings to 172 settlers, some of the holdings having been assigned to partners. Of these 127 holdings, 90 were in the Transvaal, 30 in Natal and 7 in the Cape Province. In the Orange Free State there is at present no Crown land available for settlement, and the amount available in the Cape Province is very limited.

The nationality of the successful applicants for holdings is a question of considerable interest. Of the 172 settlers, 140 were South African born, 19 were English, 3 were Irish, 2 were Scotch, 2 were British subjects born in Germany, 2 were Australians, and only 3 were of foreign nationality. There is nothing in the Act which prevents foreigners from taking up holdings but it will be remembered that they cannot obtain a Crown grant of their holdings unless they become naturalised British subjects. The average amount of capital possessed by the settlers was £634. The average was highest in Natal where it amounted to £981 per settler.

In the case of 79 out of the 127 holdings the successful applicant was determined by lot. This is practically the only method of deciding between

(1) Land intended for general settlement is acquired by Government under Section 10, and allotted for settlement under Section 16.

a large number of applicants many of whom possess practically the same amount of capital. In some cases the number of applications for the same holding exceeded a hundred. For one holding in the Transvaal, 430 morgen in extent, there were 135 applicants with an average capital of £543. In such cases as these any system of personal selection would inevitably become the object of constant criticism, and it seems upon the whole the best course to decide the matter by lot. It is certainly unfortunate that applicants have in some cases spent considerable sums in examining the holdings gazetted for disposal, only to find themselves repeatedly unsuccessful in securing an allottment, but it is difficult to see how this inconvenience could be avoided. It is above everything imperative that the system of allotting land should be free from any suspicion of favouritism or manipulation.

Although, as has been mentioned above, the amount of land purchased for settlement during 1913 was only 27,175 morgen, a large amount of land was offered for purchase and, upon the recommendation of the Land Board, refused. The total amount of land offered and refused was 256,132 morgen and the price £879,519. The Government declined to purchase in the majority of cases because the price was too high or because the land was unsuitable for settlement. In the Cape Colony and Natal the latter was the more common reason for refusal.

It will be interesting, in conclusion, to compare the number of settlers established on the land under the Act of 1912 with the number so established under all other acts and proclamations. This can be most conveniently done by showing the figures in tabular form, thus :

TABLE III. — *Particulars of all land allotted in* 1913.

Statutes Governing Allotment	Number of Holdings	Number of Settlers	Area		Valuation		
			Morgen	Sq. Rds.	£	*s.*	*d.*
Land Settlement Act 1912, Section 11	76	104	47,651	346	135,376	12	7
Land Settlement Act 1912, Section 16	127	172	122,029	72	106,219	17	0
All Other Acts and Proclamations.	308	333	160,984	460	99,874	3	3*
Total . . .	511	609	330,665	278	341,470	12	10*

(*) Plus a rental of £175 5*s.* 0*d.* per annum for certain lands let on lease.

It will be seen from the above figures that the proceedings under the Land Settlement Act overshadow in importance the proceedings under all other acts relating to land settlement in so far as relates to the area and value of the holdings allotted. The number of holdings allotted under the Act was 203, and the number under all other acts, 308, yet the area occupied under the Act and the value of the land so occupied exceeded the area and value of the land occupied under all other acts. The difference in value is very striking. Roughly, while there was but little difference in the area allotted, the value of the land allotted under the Land Settlement Act was nearly 2 ½ times the value of that allotted under all other acts.

It would seem, therefore, that the Board have ample reason to be satisfied with the type of settler that is being secured under the provisions of the Act of 1912.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO AGRICULTURAL ECONOMY IN GENERAL.

ARGENTINA.

CONTI (CESAR) : COLONIZACIÓN AGRÍCOLA. BASES PARA UN PROYECTO DE COLONIA AGRÍCOLA-INDUSTRIAL GANADERO (*Agricultural Colonisation. Basis of a Plan for an Agricultural, Industrial and Livestock Improvement Colony*). " Boletin mensual del Museo Social Argentino ". Nos. 35 and 36. pp. 511-523. Buenos-Ayres, November-December, 1914.

The author begins his study by recalling the large number of colonisation proposals presented in recent years and regretting that as yet very little has been done practically. Then going on to examine the various systems of colonisation, he says that the history of colonisation, which is comparatively speaking of recent origin, teaches us that Government intervention must not be counted on for the solution of the problem. Official colonisation has not given the results hoped for. According to the author, the principal action of the State must consist in encouraging the colonisation undertakings that aim at obtaining for their own account and at their own risk the same results it is desired to obtain by means of official colonisation.

Starting then from the principle of colonisation by means of private enterprise and after having analysed the various factors and elements needed for adequate colonisation (soil, labour, capital and technical management), Señor Conti shows on what foundation any scheme must be based, in his opinion, if it is to have good results : (*a*) the multiplication as far as possible of the sources of revenue by means of the cultivation of a variety of crops, various agricultural industries, livestock improvement etc. ; (*b*) the possibility of each family being able to perform the labour necessary on its own holding ; (*c*) and the possibility of deriving the utmost possible return from the holding for the support of the colonist and his family.

After discussing several plans for the distribution of the various interests of the farm, crops, livestock etc., in conformity with his principles the author terminates his study by showing the advantages that may be derived from his proposal for the colonist and for the colonisation undertaking.

UNITED STATES.

CUBBERLEY (ELLWOOD P.) : RURAL LIFE AND EDUCATION. 1 vol. 8vo. 367 pp. Houghton Mifflin Company. New York, 1914.

This book by the Leyland Stanford University Professor of Education aims at stating the rural school problem in its historical and sociological setting. With this object in view, Part I, which occupies almost half of the book, is devoted to describing the four periods of development which the author distinguishes in the rural life of America, and to examining the effects which the changes from one period to another have had upon the rural school and other rural institutions. Part II deals with the fundamental needs of rural education, with the organisation and maintenance of the existing rural school system, and with the reforms which the writer considers necessary.

Rural education, throughout the greater part of the United States, is organised and administered upon what is known as the " District " system, which empowers any small number of families, living sufficiently close together to make organisation possible, to meet and establish a School District, elect school managers or trustees, and levy a school tax on the property of the people within the District.

Professor Cubberley condemns the system in unmeasured terms. It is " expensive, short-sighted, inefficient, inconsistent and unprogressive; " it results in the unwise multiplication of schools, and in great inequalities in the schools themselves. The district as a taxing unit is too small, so that the schools are starved financially, while at the same time the trustees, because they hold the purse-strings, often assume authority over many matters in which they are not competent. The measure of each State's progress in education is, according to the writer, the extent to which it has abandoned the district system of administration. In a few States — Maryland, Louisiana and Utah are examples — the county has been made the unit area for administrative purposes, with excellent results. The root of the matter is the question of finance. A rural school cannot be adequately supported at a cost of less than from $ 800 to $ 1000, and this sum is too large to be raised within the area of a district. The unit for taxation must be the county, and the power which is conferred by the control of the finances will enable the county authorities to undertake the necessary consolidation of the school system. Consolidation would give larger and better schools, better teaching, and a wider curriculum.

Professor Cubberley fully admits the admirable work which the District schools have done in the past and the inestimable value of the District system in a pioneer community, but he brushes aside — perhaps a little ungently — the idea that sentimental regard for the institutions of pioneer days should be allowed to impede progress. He has but little

to say that is new; but he has compiled a useful textbook, and this, as we learn from the preface, was one of his principal aims in writing.

WORCESTER (DEAN C.): THE PHILIPPINES PAST AND PRESENT 2 vols. 8vo. ill. pp. 1,024. Mills and Boon. London, 1914.

The writer of these two volumes visited the Philippines as far back as 1887 as one of the members of a scientific expedition. In 1899, at the invitation of President McKinley, he returned to the Islands as a member of the first Philippine Commission. Later, he was appointed to serve on the second Philippine Commission, and when civil government was established in 1901, became Secretary of the Interior, continuing in that important position up to 1913.

The first volume is, in the main, an account of political and military events with which we are not particularly concerned.

The second consists for the most part of a record of what has been done under the civil government set up by the United States, for the improvement of the public health, for the extension of education, for the reform of the penal laws and the administration of justice, for the provision of adequate means of communication, and for the development of the agricultural and industrial resources of the country. Up to the end of 1913, the amount spent in the interests of public health was $ 9,630,000, while the sum spent upon education (including school buildings) was $ 21,376,000. There are two important chapters upon the government of non-Christian tribes. Another chapter is devoted to a description of the Philippine legislature and its work, and in the final chapters the author discusses the possibility of granting the people political independence as has frequently been proposed in the United States. His views upon the last question are clear; and it will hardly be denied that they are entitled to the highest respect. "Philippine independence", he says, "is not a present possibility, nor will it be possible for at least two generations. Indeed, if by the end of a century we have welded into a *people* the descendants of the composite and complex group of human beings who to-day inhabit the Islands, we shall have no cause to feel ashamed of our success."

Professor Worcester, in fact, has come to see that America, having put her hand to the plough, cannot turn back even if she would.

ANNUAIRE FINANCIER ET ÉCONOMIQUE DU JAPON. QUATORZIÈME ANNÉE. 1914. (*Japanese Financial and Economic Yearbook. Fourteenth Year*, 1914).

The number of this well known annual, published under the direction of the Japanese Minister of Finance, for this year, contains important

detailed statistical information in regard to the Imperial finances and economy.

The most recent information in this, the fourteenth volume, refers for the most part to 1913, though some also refers to 1914.

As regards the general economic situation for the year 1913-1914, it may be said that constant progress has been made in the organization of new undertakings and the development of those already existing ; the new capital paid up amounted to 178,000,000 yen (460,000,000 frs.), showing a slight increase on the figures for the preceding year. However, in Japan also, the scarcity of money on the European market, in consequence of the events in the Balkan peninsula, was strongly felt and led even there to a considerable increase in the rates of interest.

As regards foreign commerce, the considerably increased importation must be attributed to the introduction of foreign capital, to the increased activity of the business undertakings and also to the accidental decrease in the agricultural produce of Hokkaido, of the N. E. Provinces and of Formosa.

In regard to agriculture certainly the year 1913-1914 has been one of the least fortunate of years, and the statistics show a fairly large decrease in almost every class of produce.

Though in the total production of rice there was a slight increase (50,222,509 *koku* (1) in 1912 and 50,255,267 *koku* in 1913), yet there was a decrease in the average production per *tan* (1,673 in 1912 and 1,659 in 1913). There was a real increase in the amount of barley, rye and wheat produced (21,870,321 *koku* in 1912 and 25,050,454 *koku* in 1913) ; all other agricultural produce, however, showed a decrease ; millet (from 396,963 *koku* to 382,252 *koku*) ; *daizu* (from 3,693,193 *koku* to 3,511,464 *koku*) ; buckwheat (from 1,216,422 to 996,782) ; and colza, sweet potatoes, hemp and sugar cane all showed a similarly diminished production.

SWEDEN.

WOHLIN (NILS) : DET SVENSKA JORDBRUKETS INRIKES AVSÄTTNINGSFÖRHÅLLANDEN *The Conditions for Sale of Swedish Agricultural Produce within the Kingdom*). Stockholm, 1914. Nordstedt and Son, large 4to, pp. VIII+ 462, with numerous diagrams and maps.

On August 5th., 1910, the Royal Department of Agriculture at Stockholm entrusted the eminent Swedish economist, M. Wohlin, with the preparation of a detailed report on the conditions of sale of agricultural produce within the country. In the space of four years M. Wohlin has terminated the work and the book to which we introduce our readers here is the result.

There can be no question of entering here upon an analysis of this monumental work. Let us limit ourselves, in view of the interest similar

(1) 1 *koku* = 1.8 hl.

studies of other agricultural countries would present, to indicating briefly the general plan.

After studying the statistics of agriculture for a long series of years, M. Wohlin divides the various districts of Sweden into regions of *excessive* and of *insufficient* production of the principal agricultural produce of the country, considering as such the fifteen following articles: wheat, rye, barley, oats, peas, beef, pork, mutton, milk, butter, cheese, potatos, eggs, vegetables, hay and straw. The results of his research are shown in each case in a special table with the fullest explanatory text, and ample citation of authorities.

Then the author passes on to a minute examination of the means of communication in Sweden, with a special view to their utilisation for the transport of agricultural produce within the kingdom. Here also each of the products above mentioned is separately studied and of course only the existing state of exchange is considered as it has developed naturally in the course of time. In this case also he gives a series of splendid illustrative tables. This second part of the work brings into evidence the want of logic and of rational organisation characterizing the existing conditions of agricultural exchange. Chance, accidental or local circumstances, the initiative of a shopkeeper, the rates of such or such a private line etc. are the principal causes of excess of production in one region rather than in another.

The third part of the work deals with the measures for remedying so unscientific a system of sale and it is principally in a general radical reorganization of the systems of transport that M. Wohlin finds the remedy he seeks. His proposals for reform, for all of which he gives ample authorities and adduces abundant reasons, are as numerous as interesting and are concerned with railway and shipping lines, roads and postal communication. The object of all these reforms is the adaptation within possible limits of the whole future development of the system of communications of the country to the interests of a rapid and reasonable exchange of agricultural produce between the different provinces.

In the fourth and concluding portion of his remarkable work, the author, starting from the reforms proposed, resumes, in the case of each article, the conditions of agricultural exchange, bringing into relief the defects and disadvantages of the existing system not depending directly on the means of communication and suggesting in each case the remedy best suited.

The importance of a study of the kind M. Wohlin has just published does not need to be pointed out. It is the first time a general attempt has been made to consider the future development of the entire system of the means of communication of a whole country with special regard to the exchange of agricultural produce within it and there is no doubt that the conclusions of the author will give occasion to a whole series of reforms and innovations of the greatest benefit for Swedish agricultural economy.

RUGGERI ALFREDO, gerente responsabile.

INTERNATIONAL INSTITUTE OF AGRICULTURE

BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

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Part I: Co-operation and Association

BELGIUM.

A BILL FOR ORGANISING THE PROFESSIONAL REPRESENTATION OF AGRICULTURE AND THE INTERESTS OF THE AGRICULTURAL CLASSES.

OFFICIAL SOURCES:

PROPOSITION DE LOI PORTANT ORGANISATION D'UNE REPRÉSENTATION PROFESSIONELLE DE L'AGRICULTURE ET DES INTÉRÊTS DES CLASSES AGRICOLES (*Bill for the Organisation of the Representation of Agriculture and the Interests of the Agricultural Classes*). Chamber of Representatives. — Session 1912-13. Document No. 47.

EXPOSÉ STATISTIQUE DE LA SITUATION DES ASSOCIATIONS D'INTÉRÊT AGRICOLE PENDANT L'ANNÉE 1911 (*Statistics of Associations of Agricultural Interest for the Year* 1911) Department of Agriculture and Public Works. Agricultural Division. — Brussels, Odry-Mommens, 1913.

OTHER SOURCES:

TURMANN (MAX): LES ASSOCIATIONS AGRICOLES EN BELGIQUE (*Agricultural Associations in Belgium*), Paris, Lecoffre, 1909.

Among the bills of agricultural interest proposed in the later sessions of the Belgian Parliament, that which was brought in by Denis for the organisation of the professional representation of agriculture and the interests of the agricultural classes is among the most important, and deserves special notice. Belgium, like most other countries, is still without any special official representation of agriculture, that is, any elective administrative organisation for the defence of the interests of agriculture before

the public authorities to serve as an intermediary between them and the agriculturists. There are indeed agricultural comices and provincial agricultural societies, but these bodies, while generally regarded as institutions representative of the needs and interests of the rural classes, are, strictly speaking, excluded by their constitution and functions from the category of official representatives of agriculture. On the subject of special organisations answering to this special need, much discussion has taken place, and many proposals have been made which will be here enumerated, because in many countries, as, for example, in Italy, the question is one of immediate interest and it is therefore desirable to make known the solutions suggested in Belgium. We begin with a notice of the present administrative organisation of agriculture in Belgium.

§ 1. Fundamental outlines of the present administrative agricultural organisation in Belgium.

The existing organisation of agriculture in Belgium includes three forms of association: (*a*) agricultural comices; (*b*) provincial agricultural societies ; (*c*) the Superior Council of Agriculture.

The *agricultural comices* were instituted by Royal Decree on January 20th., 1848, organised by Decree of October 20th., 1849, and reformed by Decree of October 18th., 1880.

They are associations of agriculturists, each composed of at least 50 working members, and a certain number of honorary members. A person desirous of becoming a working member of a society in any district must be domiciled there, or possess a farm in the district ; he must be presented by two working members and pay an annual minimum subscription fixed by the Provincial Commission to be described later, at from 3 to 5 francs, according to the province.

The comice is entrusted with the protection of agricultural interests in an area the limits of which are fixed by the Department of Agriculture. It bears the name of the locality selected for its ordinary meetings, which must be held at least twice a year.

Every comice appoints a committee of not fewer than seven members, and not more than eleven to represent it and administer it. This committee must collect information for the report to be sent annually by the Provincial Commission of Agriculture to the Minister.

In 1911, according to the latest official statistical report of associations of agricultural interest there were in Belgium 167 comices, of which it may be useful to give the following details reproduced from the above mentioned statistical report :

Situation of the Agricultural Comices at the Close of 1911.

Province	Number of Comices	Number of Members	Revenue	Expenditure
Antwerp	20	2,932	30,412	20,249
Brabant	21	4,678	57,818	46,648
West Flanders	13	2,995	41,582	38,656
East Flanders	29	6,064	58,321	49,015
Hainault	19	5,982	51,382	23,880
Liége	15	5,484	43,002	25,722
Limbourg	13	1,563	19,374	15,386
Luxembourg	20	8,429	60,871	54,243
Namur	17	2,513	38,211	26,054
	167	40,640	400,973	299,853

The chief work of these comices is to encourage agricultural progress through the institution of competitions, exhibitions, lectures and experimental farms. In the course of the year 1911 they organised in all 90 competitions, which taken together distributed in prizes the sum of 217,973 francs (1).

The comices of each province form a federation called the *Provincial Society of Agriculture*, occupying the second place in the organisation now under consideration. This federation is represented by the assembly of delegates from the comice, consisting of one member of the permament deputation of the Provincial Council chosen by the Governor of the Province, the president or vice-president of each comice and one member delegated by the comices for two years. This assembly meets generally only once a year, to consider the agricultural interests of its district and make grants from its central bank to the comices etc.

It appoints a *Provincial Commission of Agriculture*, entrusted with the ordinary administration of the society. This Commission is composed of one delegate from the Permanent Deputation, a president and vice-president, and members varying in number from five to nine.

Its functions are more especially to facilitate current business, to pronounce opinion upon the agricultural progress of the province, to inform the Government of anything that may be prejudicial to local agriculture,

(1) See the "Exposé Statistique de la situation des associations d'intérêt agricole pendant l'année 1911" mentioned among the sources of this article.

and to send it an annual report on the subject. The Provincial Commission reports on its own work to the assembly of delegates.

Finally above all these organisations there is the *Superior Council of Agriculture*, instituted in 1834 and re-organised in 1845. This is a consultative body formed of two delegates elected for six years by each of the nine provincial societies of agriculture, together with 18 members appointed by the king, nine of whom represent the voluntary agricultural associations of the country, also for a term of six years, while the other nine are appointed each year.

This Council has not on the whole been very active nor very useful, but it must not be forgotten that among the questions studied by it have been those of agricultural insurance, livestock improvement syndicates, the reforms to be introduced into contracts for the lease of rural land, and especially the subject of the reform of the agricultural comices.

It has now been shown that the official representation of agriculture is in Belgium entrusted to three classes of organisation which may be considered as having emanated one from the other. The first, that of the agricultural comices, has been much criticised, and, in order to explain the spirit and scope of the proposed reforms, it is necessary to point out its two chief defects. In the first place there are objections to the mode of constitution, which is not elective, but is determined by the amount of taxes paid, and therefore one-sided and imperfect. Catholics and socialists are agreed on this point. From the statistics it appears that only 2.8 % of the total agricultural population is represented in these comices. It has been justly observed that the high contribution exacted by most of them from their own members excludes from the organisation agricultural labourers and small tenant farmers who form the largest part of the agricultural population. If the comices are really to represent its needs it is absolutely indispensable to reconstitute them on a wider and more democratic elective basis.

In the second place, many of the comices are accused of not fulfilling the mission entrusted to them, sometimes receiving considerable grants from the Government without rendering any benefit to agriculture. While some of the comices have been active in promoting technical agricultural progress, many others give no sign of life, take no initiative, and do not consider the needs of their district. In looking over the preceding table, it is seen that one striking feature is common to all the comices, viz. the small amount of their expenditure in comparison with their income. This perhaps shows that many scarcely know how to turn their resources to profit.

All this explains why, on many occasions, influential members of Parliament have demanded that the public grants should be more equally divided among the comices and the voluntary agricultural associations and why some of them have proposed the suppression of the comices, suggesting that the official representation of agriculture should be at once entrusted to the voluntary associations so widely developed in recent years. In the following section we shall consider some of the proposals which

at different times and in different ways have been made in order to solve this delicate and important problem.

§ 2. The principal plans for the reform of agricultural representation.

The debates and discussions on the subject of the reform of agricultural representation, in Parliament, in the technical press and in congresses, all turn upon one fundamental point, viz. whether the privilege of the official representation of agriculture should be confirmed to the present comices or conferred on the voluntary agricultural associations exclusively, or whether and how it should be divided between the two classes of associations. Opinions are divided: some wish the comices to be preserved for the purpose of this representation, of course after they have been reformed; others give their preference to the voluntary associations, chiefly because of their greater development, and others propose intermediate solutions. The proposals submitted to the Superior Council of Agriculture reflect these different currents of opinion, some basing the representation on the voluntary associations, others instituting an agricultural representation independent of them. Let us glance for a moment at the two groups of plans, and then devote a special section to the recent bill proposed by Denis.

(A) *Proposals based on voluntary associations:* (1) *Jacques and Renard Proposal.* According to this, the present comices would be preserved without substantial modification of their organisation, but with improvements and extended powers, voluntary associations being granted representation in the Superior Council of Agriculture.

(2) *Mellaerts Proposal.* Unlikethe foregoing, this proposes to entrust the representation of agricultural interests in every canton exclusively to local agricultural professional unions recognised by the law of March 31st., 1898 (1) and to the delegates of such unions. These would form provincial chambers, which, in their turn, would elect delegates, who with other members would compose the Superior Council. The agricultural comices would thus be excluded from official representation, but would still exist for the encouragement of agriculture by means of competitions and exhibitions.

(3) *Proposal for a Central Section in the Chamber of Representatives.* This idea dates from 1901 and is thus summarised in the report on the agricultural accounts for that year: " The present limits of the comices, corresponding with those of the cantons, would be maintained. There

(1) For the constitution, the objects and the importance of professional unions in Belgium, see our article in the Bulletin of August, 1914, pp. 1, et seqq.

would therefore be as many comices as there are now, and perhaps more. In every comice there would be delegates from local associations in the different communes of the canton ; each association appointing a number of delegates in proportion to the number of its members. The total number of delegates would appoint the members of the board of management of the comice, and the total number of comices would constitute the Provincial Society of Agriculture. At the same time, the much disputed question of the representation of the voluntary associations in the Superior Council of Agriculture would be solved. For this it would be sufficient for the provincial societies to appoint members who, with the commissioners appointed by the Government, would form the Council."

But the above report does not say clearly whether the present comices, or only their present limits would continue to exist, nor yet what associations would eventually constitute with them the agricultural representation.

(4) *The Vliebergh Proposal* (1909). This is substantially the same as that of Mellaerts : the comice however would in this case be composed of delegates from all the agricultural associations recognised by law within its district. Among these would be included not only unions of agriculturists and agricultural labourers, but also syndicates for livestock improvement and beet cultivation, co-operative dairies, mutual livestock insurance societies, co-operative societies for the purchase of farm requisites, co-operative societies for the sale of agricultural produce for their members, societies of agriculturists for the collective use of machinery, and in general every society of agriculturists or peasants with an agricultural object recognised by the justice of the peace, with whom rests the final decision as to the agricultural character of the associations.

(5) *Francotte and d'Otreppe Proposal.* This is an attempt to unite the comices and the voluntary societies. That is to say, the comices, societies and provincial commissions would still exist, but above all there would be a provincial chamber composed of a commission emanating from the comices and of an equal number of delegates appointed by voluntary societies. This chamber would be substantially a new organisation intended to take the place of the present provincial commissions, the functions of which would henceforth be purely administrative. No voluntary societies would be considered as such, except those for insurance and credit, co-operative societies for purchase and sale, and agricultural professional unions, all of which must have obtained legal recognition. As regards the voluntary societies, this proposal is less liberal than the preceding one. In the constitution of the Superior Council, the delegates of the comices and the voluntary associations would have an equal share, and the members nominated by the Government would be retained, but their number would be proportionately reduced.

(6) *The Proposal of the Superior Council of Agriculture.* (*December 10th.*, 1908, *and January 27th.*, 1909). This resembles the foregoing, allowing however the voluntary societies a larger share in the provincial organisation of agricultural representation. It would be always societies

of agricultural interest with headquarters in the province and civil personality that alone would have voting rights, but to the insurance and credit societies, co-operative societies of purchase and sale and agricultural professional unions, livestock improvement syndicates would be added.

(B) *Proposals to Constitute Agricultural Representation Independently of Voluntary Societies.* In this group are included all proposals which aim at giving a democratic character to the representation of the rural classes, by calling on all persons directly interested in agriculture to join in constituting it. The chief proposals submitted to the International Agricultural Congress of 1895 were of this kind, as was also that of Niezette, of 1894, on which for the sake of brevity we avoid dwelling. Only one proposal of the kind, that of De Villermont, was submitted to the Superior Council of Agriculture but he was compelled to withdraw it in the session of December 13th., 1908, because its radical character excited vigorous opposition. According to it, none of the older organisations should be allowed to continue, but in every commune a comice should be appointed to which all cultivators should belong, registered if necessary independently of their own act. Besides this, a cantonal society of agriculture should be founded, consisting of delegates from the comices and also a provincial chamber of agriculture formed of delegates of cantonal societies ; finally, the Superior Council should be appointed by delegates from the provincial chambers.

Having enumerated these, we pass on to the bill proposed by Denis. It also is connected with the second group of proposals which tend to ensure an elective system of representation of agriculture on a larger basis.

§ 3. The Denis Bill.

This bill was brought before the Belgian Parliament in the session of December 6th., 1912. Its essential aim is to secure to all classes interested in agricultural production a system of direct representation.

For this purpose, agricultural comices would be instituted throughout the whole extent of the cultivated land and their districts would be fixed so as to correspond with the characteristics and the natural limits of the various agricultural districts in the country.

In these comices there would be represented : (1) proprietors who are not cultivators ; (2) proprietors who are cultivators ; (3) tenant farmers ; (4) servants and labourers on farms, and peasants of both sexes, employed in any kind of labour.

The following persons without distinction of sex, if they have reached the age of 21, would have a vote for the election of these various classes of representatives of agricultural interests : (1) every proprietor who within the district of the comice lets out to tenants not less than 50 ares of

land ; (2) every agriculturist who is proprietor of more than half the land he cultivates; (3) every tenant farmer who rents more than half the land he cultivates ; (4) every paid labourer who works for the proprietor or manager of a farm, chiefly occupied in agriculture, livestock improvement, horticulture, forestry etc.

The first two groups of electors would form one single electoral college. Voting would be compulsory and no one would have more than one vote.

Every comice would be composed of : (*a*) two representatives from each of the three electoral colleges, for every rural commune within its limits, whatever be the population of the commune ; (*b*) and besides, also in the case of each of the three colleges, one representative for every 50 inhabitants according to the last census of the population without distinction of sex or condition, whether farmers, scientific agriculturists, horticulturists, sylviculturists, landed proprietors, peasants, servants or others employed on farms, in horticulture, sylviculture etc.

The principle of proportional representation would prevail in the elections to agricultural comices separately for the various classes of candidates.

The comices would also include : (1) representatives of the staff of associations of agricultural interest such as syndicates, co-operative societies, insurance societies, etc ; (2) labourers employed in such associations ; (3) contractors for special or temporary labour, reaping, weeding, threshing etc. ; (4) labourers directly employed by such contractors ; (5) professors of agriculture or engaged in teaching the subject in the district of the comice, as well as veterinary surgeons, chemists, agricultural engineers, and doctors working in country districts.

The managing staff of agricultural associations would be included in the electoral body of the second and third classes above mentioned according as the land in the locality is generally let to tenant farmers or worked by the proprietor. Labourers on the land are included in the 4th. class. Contractors for special agricultural work and the labourers they employ would be classified according to the same system. The representation of both would correspond with the number of delegates.

Lastly, every elector would be eligible in his own class and the representatives are elected for four years.

It was desired that not only agriculture should be represented, but also science, both in its connection with agriculture and with the conditions of physical and intellectual development of the rural classes, considering the great importance science applied to agriculture has acquired in modern times.

To this complex organisation, Denis in his bill assigns a vast programme of investigation and a wide sphere of action, not merely consultative but also practical and positive. According to him the principal objects of the comices should be the following :

(*a*) to take into special consideration the interests of local agriculture and of the rural classes, establishing if necessary a permanent system of inquiry into their situation and conditions ; (*b*) to make known to the

public authorities the needs of agriculture, and the desires of the rural classes; (*c*) to supply the administrations with useful information as to the interests of agriculture and the rural classes, to assist in the compilation of agricultural statistics and to give advice on varions questions submitted to them by the public authorities; (*d*) to consider as a whole the relations between proprietors and managers of landed property and the introduction of legal reforms, or reforms of contracts, especally in regard to the duration of contracts for the lease of land, and compensation to the tenant for improvements in his holding; also to examine custom-house and fiscal regulations as well as transport rates in regard to landed property, agriculture and agricultural industries; (*e*) to encourage the extension of agricultural and land credit, professional unions, co-operative societies and societies for insurance against agricultural risks, as well as to improve the economic and social conditions of the rural classes, especially of peasants etc.

To the comices the bill also assigns special functions viz. to aid in the organisation of the agricultural labour market, to forestall and to remove, through mediation, conciliation and arbitration, the difficulties and conflicts that might arise more especially between landlords and tenants, and between employers and peasants, to fix rents, to seek for improved systems of lease and draw up model contracts, and examine into the more improved forms of contract for individual and collective labour etc.

In order effectually to perform these complicated duties, the comice would be divided into four sections corresponding with the various interests represented; viz. (1) landed property; (2) agriculture, sylviculture and horticulture; (3) labour; (4) scientific and agricultural instruction; each of these being divided into various branches.

Each section or sub-section would deliberate separately on its special subjects, reserving questions of general interest for the decision of the comice.

In connection with the programme of work above described the comice would have also two conciliation chambers. The first would consist of delegates of the representatives of landowners and tenant farmers in equal proportion; the second of delegates of tenant farmers and of their servants and labourers, also in equal proportion.

These chambers would endeavour to forestall and decide peaceably questions that may arise between landlords and tenants about the lease of land and between cultivators or tenant farmers and peasants about labour.

The comices would have power to form a federation the better to attain their objects.

As to the provincial societies or agriculture, the bill proposes that they be formed of two delegates for each of the three electoral colleges above mentioned, and of two delegates of the class including teachers of agricultural subjects, doctors, veterinary surgeons, agricultural engineers etc.

These societies would occupy themselves with all the subjects and regulations specified above, of interest for agriculture and the rural classes within their own district.

Lastly, the Superior Council of Agriculture would occupy itself with all the interests of national agriculture and of the rural classes, as well as with all the measures connected with agricultural progress and the improvement of the condition of the rural classes.

It would be formed of delegates from the provincial societies, the Government having power to appoint delegates with right to speak but not to vote at the meetings, selecting them from special lists drawn up by the Academy of Sciences.

FRENCH COLONIES AND PROTECTORATES.

MISCELLANEOUS NEWS.

1. — AGRICULTURAL CO-OPERATION IN FRENCH WEST AFRICA. — A Decree of June 29th., 1910 had authorised the formation in French West Africa of agricultural thrift, mutual aid and loan societies among the natives. The results obtained have been so remarkable that there are now more than 300,000 adherents belonging to ten societies in Senegal and six in Guinea. A new Decree of January 8th., 1915 aimed at still further extending their action.

The first article of this Decree assigns the following duties to the societies:

"1st., to ensure the formation of reserves of grain to be selected and kept at the disposal of the members with a view to providing seed at the proper time;

2nd., to aid in the improvement of agricultural conditions and the quality of the agricultural produce and the harvest, as well as in the fight against the propagation of parasitic affections by which the produce suffers;

3rd., to purchase agricultural implements or such as are required in the immediate transformation of agricultural produce and place them at the disposal of the members under conditions laid down by the Board of Management of each society;

4th., to assist their members with grants in money or in kind, making provision for their defence against the effects of drought, inundations, epidemic cattle disease and other natural calamities, assisting them in case of illness or accident;

5th., to organize long term mutual agricultural loans in kind or in money. These loans, which are independent of the usual advances to members, are granted either to individuals or to groups or collective bodies."

The formation of these societies is decreed by the Governor General in the circles or regions where the local government judges it possible; but, once a society has been founded in a circle, all the native farmers and livestock improvers resident in the district must become members of it. A report made by M. Doumergue, Minister for the Colonies, states that in French West Africa as in North Africa, societies of this kind are only formed and prosper when initiated and promoted by the administrators.

(Summarised from *Journal d'Agriculture pratique* of April 15th., 1915).

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2. — AGRICULTURAL ASSOCIATION IN CHAOUIA. — The custom that seems to be prevailing in regard to the utilisation and colonisation of Morocco is that of farming in association with the natives, as direct farming seems up to now to be left to those societies alone that dispose of large capital.

An excellent example of the results obtained by indirect farming is afforded by the work of a French farm established among the Oulad Saïd (Chaouia), which, cultivated in association with *Khammès*, gave a return of 50 % on the capital invested in the year 1911, a very good agricultural year, 15 % in 1912, an average year and only suffered insignificant loss in 1913, a worse year than had been known for a long time.

The form of the contract entered into with the *Khammès* in these regions is as follows :

The *Tadjer*, or proprietor, who takes a *Khammès* into his service, provides him with an Arab plough, a yoke of oxen, seed, food for himself and for livestock. For a week of actual work, the *Khammès* can claim a double decalitre of wheat or barley. Sometimes the master gives his employee advances to be repaid in kind at the time of harvest.

The *Khammès* receives at the harvest the fifth of the produce in return for his work and care. One of the advantages in employing a *Khammès* is that the proprietor does not suffer by the fluctuations of the labour supply at harvest time, as the employee undertakes all the agricultural work. But it is absolutely necessary for the proprietor to reside on the farm, in order to supervise the *Khammès*, who, otherwise, would not scruple to sell the seed and appropriate to himself the food intended for the plough oxen ; the continual presence of the *Tadjer* also incites the *Khammès* to fulfil all the clauses of his contract punctually and to respect his engagements.

(Summarised from *Bulletin Economique de Maroc*, published by *the Service Economique* of the *Résidence Générale*, November-December, 1913).

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3. — INSTITUTION OF NATIVE THRIFT SOCIETIES IN MOROCCO. — As in all Mussulman countries, usury is rife in Morocco. In his improvidence, the native, deprived of his means of subsistence by a bad harvest, does not hesitate to contract loans at heavy interest, which speedily bring him to ruin and the loss of his land. Hence the necessity for the institution in Morocco of native mutual aid and loan societies, on the basis of those which have been able to restore the *fellaheen* in Algeria and Tunis to prosperity and comfort, has been occupying the attention of the Protectorate Service.

At an early date, the regional commanding officers and civil magistrates will be called on to institute in their districts thrift associations on the following lines :

Every society shall have as many sections as there are tribes in the territory ; each one shall conduct its business separately and be provided with its capital and an interest account.

The society shall be managed by a council of members of *djemaa*, with the caïd as president. At the military or civil control head quarters there shall be a board of management presided over by the Calipha of the Sultan, the vice-president being appointed by the superior authority, The caïds and the *chioukh* shall have seats on the board. A secretary and treasurer shall also belong to the board.

The members shall be bound to pay an annual contribution of 2 pesetas hassani (1) per *charrue* (2) ploughed. The amount shall be paid at the date of termination of the harvest. A delay may be granted, however, by the Administrative Council, on the proposal of the *djemaa*, to members temporarily in difficulties, but this delay may not be prolonged beyond the date of the next harvest. The Regional Administrative Council may even excuse payment of the annual contribution by those members whose insolvency is notified by the *djemaa*.

The loans will be granted at the rate of 5 % per annum, and in proportion to the area cultivated and the funds the borrower has at his disposal, and they will be repayable at the date of the harvest.

After consultation with the *djemaa*, the Regional Administrative Council may grant assistance varying with the requirements, to such members whose precarious situation calls for it.

(Summarised from *Bulletin Economique du Maroc*, published by the *Service Economique* of the *Résidence Générale*, September, 1913).

(1) The French 5 franc piece is about 6 pesetas hassani 25.

(2) The *charrue* is about 8 or 10 hectares.

SPAIN.

CO-OPERATION IN SPANISH AGRICULTURE.

(*Continued*) (1).

§ 6. Co-operation for production and sale.

(a) *Syndicates of orange-growers.*

We have seen the important position to which rural banks and co-operative societies for mortgage credit have attained in Spain as a consequence of their wide development and activity. With these must be mentioned the syndicates of orange-growers, which in regard to their co-operative organisation, are of no less importance. It may truly be said that these syndicates constitute the most perfect form of agricultural co-operation in Spain.

Co-operative associations among citrus fruit growers, which take the form of syndicates, are of recent origin and exist only in the eastern part where almost the whole orange-crop of the peninsula is produced (2). In fact before the year 1908 in Castellón there were some syndicates of this nature, but they were defective in organisation and their action was limited. No syndicates however, were in full vigour until the end of that year, when at Valencia, the principal growers united with the more important representatives of the rural class to discover a remedy for the bad condition of their trade, which general opinion attributed to their defective system of sale and exportation of produce.

The good seed of co-operative organisation was sown in this union, and was fostered by the movement of rural association due to the recent promulgation of the law of 1904 and of its definite provisions added in 1908. New syndicates arose in the principal orange-growing centres and these were all soon united in a Federation. It was certainly not an easy

(1) The first part of this article appeared in the number of this bulletin for March, 1915 pp. 10-27.

(2) The provinces of Valencia and Castellón devote respectively about 20,000 and 16,000 ha. to the cultivation of citrus fruit, the produce of which in Spain, where it is the third most important crop, represents an average annual value of from 70,000,000 to 75,000,000 pesetas.

matter to induce agriculturists to sacrifice their independence for the common good but praise-worthy propaganda for this end was carried on, and among those most especially active in this work we must mention Señores Lassala, Sarthou, and Letteir.

To give a comprehensive idea of these associations, we shall briefly describe the regulations of that of Mijares de Villareal (*Sindicato naranjero del Mijares de Villarreal*) which was taken as a model by the greater number of those afterwards established.

This syndicate, as well as all the others, is constituted in conformity with the law of January 28th., 1906, to unite, prepare and sell in common the oranges grown by its members.

The syndicate undertakes the charge of the exportation and sale of the fruit in accordance with the established rules and each member must have all his plantations registered.

Every year before the fruit season begins, the syndicate opens a register in which all the parcels belonging to members and approved by the Committee, with their extent and other particulars, are duly entered and described. In no case may a member reserve to himself the right to sell the oranges grown in any of these registered plots to any other person or association whatever.

When the time for gathering the fruit comes, each member must declare the quantity of oranges in each of his registered plots, and this is duly noted. After this registration the oranges are no longer the private property of the grower; they pass to the group and are henceforth completely under the control of the Committee of Management, even in the case of the plots changing owners.

Every year the Committee fixes the price for each class of fruit, which remains unchanged during the entire season. Then, as the fruit is gathered and counted, it is classified as "choice" or first class, 2nd. class and 3rd. class. Some days before it is gathered, experts appointed by the committee go to the plots and classify the fruit.

The gathering is made either all at once or in parts according to the rules laid down by the Committee as to size, class, ripeness, condition, and other particulars. Every day the owner receives a receipt for the quantity taken away, and the price per thousand; to the price per thousand oranges a certain sum is added as compensation for depreciation and damages dating from February 1st., according to a scale fixed every year at the first general meeting (1). At the final settlement these compensations are not taken into account.

The Syndicate must see that the orange harvest is completed on May 31st.

If the market and available funds permit, the administration may grant the advances it considers it is able to those members who

(1) The scale established by the Syndicate of Mijares de Villarreal for 1913-14 varied from 0.10 pesetas on February 3rd. to 18 pesetas on June 30th.

ask for them. The harvest finished, the annual payments are made, and all obligations incurred by the syndicate are settled out of the profits arising from the sale.

But whether the accounts show profits or losses, all gains or losses must be equally shared by the members according to the number of thousands of oranges which each has contributed to the common stock. The syndicates are directed by managing committees with extensive powers for the use of which they must account to the members' general meeting which assembles in ordinary session twice a year in the month of October to draw up its programme and appoint a Committee of Management and again at the end of the harvest for the settlement of accounts.

The following figures show the increase of members in the eastern districts :

Seasons	Number of Syndicates
1908-09	7
1909-10	13
1910-11	14
1911-12	19
1912-13	22
1913-14	24

The Federation of orange-growers was formed in 1909 by the various associations for the purpose of studying the markets, providing for importation, arranging for the distribution and forwarding of goods etc. As already mentioned, there are 24 federated co-operative societies with 3,214 members (1).

The aims of the Federation are more especially :

(1) Purchase in common of manures, machinery, materials and appliances for combating diseases of orange trees ;

(1) The associations forming the Federation are at present : The co-operative societies of orange growers of Burriana, del Este, " Victoria " of Castellón, " La Union " of Algimia of Alfaro, of Petres, " El Ideal " of Algar, " El Servol " of Vinaroz, " La Fama " of Torreblanca, " El Fenix " of Algar ; the first co-operative society of orange-growers of Sagonto ; the agricultural syndicates of Mijares of Villarreal, " El Progreso " of Algar, " Esperanto " of Benavites, of Carlet, of Alginet, " El Campo " of Puebla de Vallbona ; co-operative society for exportation of Onda ; syndicate of mutual co-operation and protection of Benifayó of Espioca ; agricultural and co-operative society of Beneguacil ; agricultural circle of Cattaroja, syndicates of orange-growers of Nules, Villarreal and Gandia ; the agriculturists' association of Castellón.

(2) Utilisation of residuum from the orange plantations;

(3) Purchase and manufacture of materials for the preparation of the fruit;

(4) Mutual insurance against risks of transport by sea and land ;

(5) Organisation of transport ;

(6) Establishment of agencies, appointment of representatives for sales abroad ;

(7) Organisation of commercial missions for study on home and foreign markets ;

(8) Study and defence of the agricultural interests of the co-operative societies belonging to the Federation.

We may say that all these various objects have already been realised. The Board of the Federation enters into an agreement with the head harbour-porter for the shipment of the fruit, and with navigation companies in regard to the freights for each season and the delivery of the fruit on the different markets. At the more important ports the Federation has agents who receive consignments of fruit which they sell by auction.

Mutual insurance against risks only began during the last season, so we have no particulars in regard to it at present, but from the information which the manager of this branch, Señor Sarthou, has kindly given us, it seems to have been very successful.

The Federation carries on other forms of business, but of these we shall mention only one, that is onion-growing. This was undertaken at the request of some of the members and is still only in its infancy.

The following table gives some particulars as to the export of oranges in the season 1911-12 with the names of the associations sending them and their destination ;

TABLE IV. — *Number and Destinatiou of Cases Exported in* 1911-

Name of Association	London	Liverpool	Manchester	Hull	Bristol	Cardi
Co-operative Society of Orange Growers of Burriana . . .	712	43,714	6,368	—	2,911	2,5
Agricultural Syndicate of Mijáres de Villareal	3,974	29,080	2,349	—	2,338	1,3
Co-operative Society for Exportation, of Onda	160	2,761	933	4,840	1,097	—
Syndicate of Orange Growers of Villareal.	2,088	3,855	2.927	200	1,052	1,0
Syndicate of Orange Growers of Gandía	5,611	—	—	—	—	—
First Co-operative Society of Orange Growers of Sagonto.	1,203	795	—	—	—	1
Co-operative Society of Orange Growers, « Victoria » of Castellón.	—	417	1,143	1,165	100	1
Co-operative Society of Orange Growers, « Bolena » of Torreblanca	—	2,039	149	311	395	5
Co-operative Society of Orange Growers, « La Union » of Algimia	69	—	—	—	—	—
Agricultural Syndicate, « El Progreso » of Algar	409	69	—	—	—	—
Co-operative Society of Orange Growers of Petrés	1,296	217	—	—	—	—
Co-oper.Soc. of Orange Growers « El Ideal » of Benavites .	125	—	—	—	—	—
Co-operative Syndicate of Benifayó	167	161	—	—	181	—
Co-oper.Soc. of Orange Growers « El Servol» of Vinaroz . .	—	1,189	—	—	446	3
Agriculturalists' Association of Castellón	300	495	2,084	12,210	551	—
Agricultural Syndicate, « Esperanto » of Benavites . . .	114	406	—	114	—	—
Total . . .	16,228	85,224	15,953	18,840	9,271	5.9

y the Associations Composing the Federation of Orange-Growers

Glasgow	Newcastle	Hamburg	Bremen	Antwerp	Amsterdam	Rotterdam	Total
3,069	1,678	23,258	3,921	4,507	12,154	3,561	108,387
3,381	2,413	5,142	3,841	1,000	1,879	759	57,483
776	893	15,519	550	3,272	610	654	32,065
844	1,021	3,055	1,940	2,675	2,542	2,448	25,650
—	—	513	—	—	—	—	6,124
—	—	5,054	—	4,455	2,918	—	14,544
100	—	2,783	130	1,336	200	594	8,123
239	168	5,121	488	1,154	—	126	10,944
—	—	360	—	929	490	—	1,848
—	—	1,763	172	901	255	—	3,569
70	—	3,147	868	1,333	907	—	7,838
—	—	848	—	1,068	670	—	2,711
—	—	1,356	—	264	326	—	2,455
206	218	2,736	550	289	129	—	6,091
—	—	7,104	1,612	6,629	—	1,854	32,839
—	—	120	—	355	499	—	1,608
8,685	6,391	77,879	14,082	30,167	23,579	9,996	322,279

The 322,279 cases exported and sold according to this table in 1911-12 contained an average of 620 oranges per case, that is in all about 200,000,000 of an approximate value of 3,500,000 pesetas.

(b) *Other co-operative societies for production and sale.*

Though the co-operative societies for raising citrus fruit are, as we have said, the most important in Spain, yet there are others, both for production and sale, of which the chief are composed of wine-growers, dairymen and sugar manufacturers.

Co-operative wine-making is not frequent in Spain. One of the most important societies of the kind is that of Carmen (Criptana). Its capital is formed of 200 shares of 75 pesetas each. Every shareholder must contribute to the society 4,000 kgs. of grapes for every share he holds. The shares are in the name of the holder, and can not be transferred without the consent of the other members.

The grapes supplied to the society by its members are paid for at the market price. The profits are shared among the members unless the society considers it desirable to devote them to the purchase of machinery.

There are some other very important co-operative societies for wine-making such as that of the syndicate " Alella Vinícola ", founded by the associations composing the federation of wine-growers of the north-east of Spain.

The first effort to form a co-operative dairy in Spain is quite recent. Its result is the society called the " *Quesería Manchega* " (the Cheese Factory of La Mancha) founded at Infantes in 1913. We have no direct information in regard to its organisation and work, but it seems to have been modelled on similar societies in Switzerland. The results obtained have so far been satisfactory; in fact the breeders of cattle in different rural centres propose to follow the example of the *Quesería Manchega*.

Co-operative sugar factories in Spain have generally given satisfactory results. In most of these the shareholders must also be agriculturists who agree to contribute to the factory a certain quantity of beet-root for each of the shares held by them. The profits are divided in proportion among the shareholders.

In other co-operative societies it is not necessary for every member to be an agriculturist. In these, agriculturists supply the raw material as purchase price of shares; those who are not cultivators purchase shares, they must however, in addition, advance 500 pesetas for each share of 1,000 pesetas, for the cost of manufacture. This advance of supplementary funds is repaid at the end of the season. Among the most important co-operative societies may be mentioned those of San Isidro and of the Purésima Concepción, both of which are established at Grenada.

These forms of co-operation for production and sale are not yet widely developed in Spain; probably the most important are the co-operative sugar factories.

We may add that some attempts at co-operative farming have been made in Extremadura, but they have not as yet been very successful.

§ 7. Co-operative purchase.

It may be asserted that in Spain there is no agricultural association which does not either continually or occasionally make purchases in common of farm requisites, manures, seed etc. Collective purchase is therefore the most usual form of co-operation in agriculture in Spain. But though it is common to nearly all rural unions very few have any special organisation for this work. What has been affirmed of co-operative manifestations in general is true in this case, viz. that in most cases co-operative purchase supplies the casual necessities of rural associations already formed without any regular or permanent organisations.

Nevertheless, nearly all district and diocesan agricultural federations and others of the more important associations have special sections for co-operative sale.

When a federation receives from its subordinate associations lists of goods required it calls for tenders from the producers of such goods. Thus the producers are placed in direct communication with the federation, which acts as the representative of its subordinate societies. In practice this system meets with opposition, through the natural repugnance of the cultivator to make engagements in advance. To obviate this difficulty, some associations to be hereafter described purchase on their own account manures, seed and implements, which they have reason to believe their members will probably need, and these they sell at a price, which, while always lower than the current market price, yet generally leaves a small profit for the federation. But the want of the necessary organisation generally precludes resort to this system.

The federations which effect the greatest number of co-operative purchases are the following; the "Mirobrigense" (Ciudad Rodrigo, province of Salamanca), with thirty syndicates, to which belong more than 1,500 agriculturists, making collective purchases of raw material amounting annually to more then 900,000 kgs.; the Federation of Catholic Agricultural Syndicates of La Rioja established at Logroño, with 73 federated syndicates, the purchases of which amounted in 1913 to 583,646 pesetas (1);

(1) The goods supplied by the Association to the syndicates in 1912 were:	Amount in pesetas
American vines (grafts, rooted and other cuttings)	9,386
Seed (21,720 kgs.)	6,925
Trees (1,663)	932
Machines (sorters, presses, harrows, etc)	3,095
Apparatus used in vine growing (pulverisers, spraying machines etc.)	1,947
Sulphate of copper (44,458 kg.)	27,287
Flowers of sulphur (67,348 kg.)	16,636
Spring manure (129,700 kg.)	20,533
Autumn manure (2,976,500 kg.)	353,689
Articles of consumption	116,000
Other articles	27,216
Total	583,646

the Federation of Valladolid; the Montañesa (Santander); that of the diocese of Burgos, and others.

Besides the Federations, there is an agricultural association of great importance for its collective purchases, viz. " The Association of Agriculturists of Zaragoza ". Its system is the following; it buys goods without any preliminary engagement on the part of its members, who afterwards purchase from it such goods as they need at a price which covers only the cost at the centre of production or charged by the importing firm, and that of carriage and storage.

This association has 3,100 members distributed among 303 localities. The services it renders to them are shown in the following tables:

TABLE V. — *Account of the manure in stock, and bought and sold by the Association during the year* 1913-1914.

Dr.	Amount in pesetas
In stock on April 1st.	16,964.85
Manure bought during the year	670,335.55
Carriage by rail	30,951.40
Porterage	4,646.60
Rent of stores	2,700.00
Salaries	4,737.50
Insurance premiums.	128.20
Wages of workmen, sacks, receptacles, etc. . . .	1,797.10
Total . . .	732,261.20

Cr.		
Manure sold (5,115,022 kgs.) .	723,061.75	
In Stock (155, 404 kgs.)	24,397.95	
Total . . .		747,459.70
Profit . .		15,198.50

TABLE VI. — *Account of seeds in stock and those bought and sold by the Association during the year* 1913-1914.

Dr.	Amount in pesetas
In stock on April 1st., 1913	3,191.05
Seed bought during the year	29,679.35
Carriage by rail	589.55
Porterage	173.80
Sacks and packing cloths	450.00
Workmen, bags	614.65
Wear and tear of machinery and repairs	76.55
Total	34,774.95

Cr.		
Seed sold	31,388.55	
Received for sorting 1,137 kgs. of corn belonging to the members	475.50	
In stock	3,747.45	
Total		35,611.50
Profit		836.55

Previous to the constitution of this association, the consumption of chemical manure in the neighbourhood of Zaragoza was unimportant. While this was partly due to the want of technical instruction among the agriculturists it is not the less true that the small results obtained by those who tried the effect of the manures had also an influence. This is explained by the fact that the agriculturists had to buy the manures through unscrupulous intermediaries, who in order to realise large profits generally sold manures of bad quality and not adapted either to the land or to the crops for which they were intended.

The Association of Agriculturists of Zaragoza has not only supplied manures of good quality, but has instituted an agricultural laboratory which gives advice, and analyses earth, seeds, etc. for the members. Now that the agriculturists are convinced of the advantages to be obtained from the use of manures adapted to their land and their crops, a constant increase is observed in the consumption of these manures by the members of the

Association. The following figures show the continual increase in the consumption of manures during the ten years from 1900 to 1910.

TABLE VII. — *Increase in the amount of manure supplied by the Association in the years from* 1900 *to* 1910.

Years	Manures Supplied (kgs.)
1900-1901	116,333
1901-1902	299,079
1902-1903	371,144
1903-1904	1,130,841
1904-1905	1,151,593
1905-1906	1,643,707
1906-1907	1,760,137
1907-1908	2,709,489
1908-1909	3,395,867
1909-1910	3,928,638

This short account must not be closed without mention of the "Agricultural Syndicate of Jelo", which deserves notice for its co-operative purchases of agricultural machinery, the "Agricultural Syndicate of Piloña" well known for its supplies of manure and seed and for its selected breeding stock; the Syndicates of Casbas, of Villa de Hecho and others worthy of notice for their co-operative purchases in general.

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From this brief sketch a general idea may be formed of the condition of agricultural co-operation in Spain. Undoubtedly there is still much to be done, especially if comparison be made with the development of this branch of co-operation in those countries which are at the head of agricultural progress. However, it is certainly true that if we consider the special conditions of the country, the idiosyncrasies of the rural classes, and the state of agricultural technique, factors which in the rural districts of Spain often form obstacles to the association movement, we must acknowledge that rural co-operation in this country has of late made remarkable progress, and attained perfection of form in the syndicates of orange-growers, and in the rural banks of Extremadura above described.

Certain advocates of agricultual co-operation have for some time feared that an *isolation in the midst of association* would arise, that is an isolation of the associations, in view of the fact that general federations are slow to constitute themselves. On the other hand, others maintain that such fears are premature, considering that a general federative organisation ought to be the product of a degree of development not yet attained by most co-operative societies in rural Spain.

But in fact the progress made of late by the co-operative movement in Spain shows that it is really developing and so far from pausing is steadily advancing in proportion to the appreciation of the advantages to be obtained by its means.

We may therefore hope that with the aid of the public authorities, agricultural co-operation in Spain will soon reach the position it ought to hold in a country where the cultivation of the land is the chief source of wealth

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CO-OPERATION AND ASSOCIATION.

GREAT BRITAIN AND IRELAND.

ADSETT (W. H.): AGRICULTURAL CO-OPERATION. A series of six articles in *Co-operative News* Vol. XLVI, Nos. 4-9, January 23rd.-February 27th., 1915.

The writer, in a series of short articles, describes the growth and present position of the different branches of agricultural co-operation in England and Wales. Inevitably his account of the development of the movement is largely a record of the work of the Agricultural Organisation Society, and he acknowledges the assistance he has received, in the preparation of his material, from Mr. J. Nugent Harris the secretary of that Society.

He deals with co-operation in the poultry and dairy industries, with small holdings and credit societies, and with the work of the few large purchase and sale societies which exist in England and Wales. His final article is devoted to a discussion of the proper relation between the agricultural co-operative societies and the distributive stores, — between, that is to say, the organised producers in the villages and the organised consumers in the towns. Since 1908, energetic efforts have been made to develop mutual trading between these two branches of the co-operative movement. Joint conferences of the representatives have been held and, quite recently, three sub-committees have been appointed, for England and Wales, Scotland, and Ireland respectively. Inter-trading between agricultural co-operative societies and industrial and distributive co-operative societies amounted in value, in 1913, to a total of £229,416. The question of arranging inter-trade relations is one of peculiar difficulty upon which the writer is entitled to speak with authority, and it is a matter for regret that the final article of the series is so short.

ITALY.

FEDERAZIONE SICILIANA DELLE COOPERATIVE. LA COOPERAZIONE AGRICOLA IN SICILIA NEL 1914 (*Sicilian Federation of Co-operative Societies. Co-operation in Sicily in* 1914). Girgenti, Sicily, 1915, pp. 32.

This is a report on the progress made by the "Federazione Siciliana delle cooperative" of Girgenti in the year 1914, by its General Secretary, Prof. Enrico La Loggia. From this publication we learn that, at the end of 1914, the federated societies were 56 with 11,257 members. They are mostly land credit banks, acting as intermediary organisations for the Bank of Sicily, for its land credit business. The deposits they had received amounted on the 31st. of December, 1914 to 763,700 frs. and their capital to 2,849,179 frs. Their total reserve funds amounted to 91,593 frs.; as against 72,871 frs. in 1913.

In 1914, the work of the special "Azienda-concimi" (*Manure Business*) connected with the Federation was considerable, as may be seen from the following figures: goods and machinery, receipts, 239,278 frs.; goods and machinery, expenditure, 246,200 frs.; banking business, 389,379 frs.; bills discounted, 85,868 frs.; general business done, 960,715 frs.; superphosphates delivered, 226,129 frs.; machinery and implements, 7,990 frs.; seeds 3,887 frs.; various manures and anticryptogamic materials, 8,194 frs.; net profits, 2,667 frs.

VARIOUS COUNTRIES.

PEARSON (RAYMOND A.): AGRICULTURAL ORGANISATIONS IN EUROPEAN COUNTRIES. *New York State Department of Agriculture Bulletin*, No. 66, pp. 451-636, ill. Albany, N. Y., December, 1914.

The author of *Agricultural Organisations in European Countries* was for nearly four years Commissioner of Agriculture of the State of New York. On retiring from that position, early in 1912, he was requested by the Governor to visit Europe for the purpose of studying agricultural conditions there, and prepare a report of his observations with special reference to agricultural co-operation. His report — the present volume — is a somewhat superficial description of the chief agricultural organisations in practically every country in Europe in which co-operation has made any progress at all. The volume is illustrated by a large number of photographs which help very greatly to give reality to the author's descriptions.

In an introduction to the report Dr. Pearson calls attention to a number of considerations which it is important to emphasise in view of the fact

that the report itself is intended to be in the nature of a guide to farmers in the United States who are seeking for forms of co-operation adapted to their particular needs. He points out, in the first place, that successful co-operative societies have never been founded without hard work upon the part of the promoters, even in those cases where some obvious advantage was to be obtained through combined action. He calls attention to the fact that in America retail and other dealers often conduct their business on a very narrow margin of profit, and that, where this is so, there is little or nothing to be gained through co-operative buying or selling. Finally, he insists that co-operation can only succeed if responsibility is placed directly upon the individuals who compose the societies, since only thus is it possible to secure the personal interest and activity which are essential.

Part II: Insurance and Thrift

AUSTRIA.

HAIL INSURANCE IN 1913.

SOURCE:

MAX LEINDÖRFER (Dr.): Report submitted to the Chamber of Commerce and Industry of Lower Austria and an article on the same subject in No. 2,058 of the "*Walmanns Verstcherungs-Zeitschrift*" of Berlin.

In 1913 the number of persons insured against hail in all the Austro-Hungarian Monarchy showed a remarkable diminution, a decrease of about 1,000 policies for the Provincial Institute of Lower Austria and a similar decrease for the societies limited by shares in Lower Austria; in Upper Austria a decrease of 708; in Salzburg 163, in Bohemia 1,175, in Moravia 665, in Galicia 1,790 and in Hungary 11,642. A tendency to diminution had shown itself in 1912; this increased in 1913 with a marked reduction of the value insured and the amount of premiums. But we must observe that the diminution was not in proportion to the number of persons insured, because it affected principally small and very small amounts. Of the 11,642 policies less taken out in Hungary, 82 % corresponded with those of peasants insuring for sums under 2,000 crowns, and 11 % with sums of from 2,000 to 6,000 crowns; in the district of Vienna the entire loss was in amounts not exceeding 6,000 crowns and in Bohemia almost entirely in amounts of less than 10,000 crowns. So to this we must attribute the fact that the insured capital did not suffer the reduction which might be expected from the smaller number of

policies. The loss was rendered less appreciable in some provinces or it was compensated for in the increased amount of the premiums which the societies had to ask because of the unfavourable state of hail insurance business.

The causes of this decrease in business which contrasts sharply with the increase of the transactions of other branches of insurance may be found chiefly in the state of the weather in the autumn of 1912, and in the whole of 1913. The humidity of the autumn greatly hindered farm-work in winter, in parts rendering it totally impossible. In certain districts of Bohemia where beet is grown the winter sowing of corn was delayed because the beet crop was still in the ground in November and December and the sowing of summer wheat and barley could not be made until the first months of the new year. But the winter of 1912-13 was not favourable to any sowing. When fine weather came at the end of March and beginning of April, work was resumed, but soon the temperature again changed. The return of the cold hindered the development of vegetation and had a consequently unfavourable effect on the number of policies taken out by farmers. Thus in Bohemia especially where hail insurance had for some years been profitable, the experience previously made was confirmed that in those places where little hail had fallen, the farmers neglected to insure, and as regards Hungary the stimulus of the very serious and numerous hailstorms of the preceding year was now wanting. Besides, we shall remember that though the general financial condition of the country inclined the farmers to save, yet the depression had also its effect on this branch of insurance.

In relation also to this subject we must mention that among the large Hungarian proprietors another cause began to effect insurance against hail. Among the sugar manufacturers there was a project for insuring their beet crops in turn, from time to time or year by year, by means of syndicates for mutual insurance. The first advocate of this idea was the late Baron Joseph de Hatvany but after his death the movement subsided. We not do know, however, whether it is quite abandoned or whether it may be again taken into serious consideration and acted on. The bad results hitherto obtained in Hungary from hail insurance are certainly not encouraging to the advocates of such a scheme for, according to the statistics of Iranyi, the Austro-Hungarian societies lost in 1878 and later over hail insurance 22,459,000 crowns or 4 % of the net premiums paid.

In spite of all this, however, the financial results of hail insurance were not unfavourable. Though in Moravia the claims absorbed more than 100 % of the premiums, in Bosnia and Hungary the societies obtained profits by no means despicable, though the brilliant hopes for the year were not realised — hopes which in Hungary especially existed even until July.

With regard to the meteorological conditions of 1913 affecting hail insurance, the hail storms in the mountain districts during the month of June were violent, and the claims in these districts absorbed more than half of the income from premiums. The weather afterwards was not such as to improve the situation.

Bohemia was completely free from meteorological disasters, and to this fact may be attributed the good financial position of the hail insurance societies there. Galicia suffered severely in 1913, especially in June and August, and here the expenditure quite swallowed up the income.

In Hungary, hailstorms in July seriously damaged the harvest, but the returns for the year were better than were expected and there was some profit gained by the societies which, as we know, suffered the loss of a million in 1912. In the branch insuring "fruit" all over Austria there was a falling off of business, and the insurance of tobacco in 1913 did not give good results by reason of the bad seasons and violent hailstorms.

The following table shows the number of policies issued by the insurance societies in the countries of the monarchy of the greatest importance for this branch of insurance, together with the sums assured; it contains also the figures necessary to ascertain the extension of hail insurance, and at the same time permits of a comparison of the yield from hail insurance according to the territory or the district concerned.

	Number of Societies to which the Data Refer	Number of Insured Persons	Amount Assured	Premiums Paid	Number of Persons Suffering Losses	Claims Paid
Lower Austria	7	5,695	13,901,500	313,743	1,075	237,488
Upper Austria, . . .	7	6,145	10,656,400	166,094	502	48,764
Salzburg	7	601	718,400	17,610	4	233
Bohemia	7	8,806	51,909,410	2,012,698	2,521	751,690
Moravia	7	6,864	31,871,000	671,373	1,530	679,433
Silesia.	7	1,592	5,432,000	92,877	180	50,970
Galicia and Bucovina	4	7,065	54,907,555	1,533,588	1,031	718,771
Hungary and dependent territories . . .	9	67,134	363,512,944	10,319,751	22,153	6,286,434

The societies have granted to farmers the right of insuring grain already cut and bound, up to ten days after cutting, by means of a slight addition to the premium, and this concession has been widely taken advantage of by agriculturists.

The fluctuations in the amount of premiums of the national societies from 1887 to 1912 is as follows :

1887	Crowns	19,473,172	1900	Crowns	16,746,780
1888	»	17,281,146	1901	»	17,377,124
1889	»	19,050,596	1902	»	17,613,445
1890	»	16,344,862	1903	»	17,909,735
1891	»	14,805,268	1904	»	19,304,562
1892	»	14,720,670	1905	»	20,325,967
1893	»	12,331,564	1906	»	23,076,443
1894	»	13,874,440	1907	»	20,754,449
1895	»	12,710,550	1908	»	25,071,262
1896	»	13,845,032	1909	»	26,892,794
1897	»	15,470,194	1910	»	30,492,463
1898	»	19,284,444	1911	»	29,019,807
1899	»	20,062,026	1912	»	30,886,748

The average value of insurance policies in Bohemia in 1913 was 5,894 crowns against 5,859 in 1912, and 4,909 in 1911; in Lower Austria, in Upper Austria, in Salzburg, Moravia and Silesia, 3,551 crowns against 3,350 in 1912; in Galicia, 7,913 crowns against 6,673 in 1912, and 7,743 in 1911; in Hungary 5,114 crowns against 5,032 in 1912, and 5,000 in 1911.

DENMARK.

1. INSURANCE AGAINST ACCIDENTS IN AGRICULTURAL WORK IN RECENT YEARS.

§ 1. The bill for the reform of the existing legislation.

In Denmark, the first law dealing with insurance against accidents in work dates from 1898. It was concerned with the accidents befalling industrial workers, for, in this country, as elsewhere, this was the first category of workers for whom provision was made, as, being the most exposed to risks and, existing in populous centres, it was able more easily to attract the attention of the legislator (law of January 7th., 1898; supplementary laws of May 15th., 1903, and December 1st., 1913). The insurance of fishermen was afterwards provided for (April 3rd., 1900; supplementary law of March 30th., 1906); that of sailors (April 1st., 1905) and only in the last place was any similar measure adopted on behalf of labourers engaged in agriculture, horticulture and sylviculture (May 27th., 1908). In a word, we have to do with a gradual development; on the one hand, owing to the absence of the statistics necessary to establish the frequency and amount of the various accidents, and, on the other, because the insurance against accidents in work constitutes a problem of such gravity and connected with so many and such important interests, it was not possible to introduce it at once for all the categories of workers. The multiplicity of laws could not fail to bring about a certain disparity in the treatment of accidents. In 1898, when the first law was passed, insurance against accidents in work was still a new thing, the successive laws were inspired by different motives dictated gradually by the experience of insurance in Denmark or elsewhere. To eliminate this disparity between the various laws, as well as the defects which had been revealed in each of them; to harmonise in a single organism the different branches of accident insurance; to extend the obligation and benefits of insurance (now that it was more possible approximately to establish the risks) to new categories of workers; such were the aims that demanded a remodelling and revision of the legislation and led to a bill for an organic law which was laid before Parliament on January 14th. of the present year. This bill

does not aim at effecting any violent change in the existing legislation, but only at unifying, completing and perfecting it (1). The fundamental principle that inspires it is, that every employer is bound to compensate the persons in his employ for any accidents arising in the course of their work, or from the work itself.

In this manner, according to the new bill, all the workers are in principle subjected to insurance. Purely occasional workers are excepted, but it is important to note that this exception does not extend to casual agricultural workers. In all these respects the bill in question does not conflict with the previous laws, but enlarges their scope; especially inasmuch as it does away with the limit previously established for the minimum importance of the undertaking.

As far as agriculture is concerned, while according to the law in force (May 27th., 1908) the obligation of insurance for workers receiving regular wages and for occasional workers (including the superintendent who does not receive an annual salary above 1,500 crs.) ceases when the value of the farm as shown in the cadastre is less than 6,000 crowns, in the bill this minimum limit is abolished. By this means, the legal inequality between the workers on small and on large farms is removed, as the disparity of treatment has gradually become less justifiable, with the ever increasing industrialisation, not only of large but also of small holdings, and the consequent increase of accidents on small farms.

The bill reaffirms the principle that the master is not directly to undertake the risk (in view of the possibility of his being unable to pay the compensation) but is to transfer it to some institute authorised for the purpose. On the other hand, an important innovation is introduced regarding the institute of insurance, for though only applying it in the case of the insurance of sailors and fishermen, the bill introduces the principle of the compulsory formation of consortiums among masters in the same line of work. Such consortiums, analogous to the " Berufsgenossenschaften " of Germany, owing to the wise spirit of prudence animating Danish legislation, would only be compulsory for the present in the case of the above mentioned occupations, but the rule could subsequently easily be extended to others, including agriculture.

The number of persons for whom insurance is compulsory under the new bill is increased very considerably. In fact, while in Denmark small holdings are very numerous, the methods of their cultivation are highly intensive and require the employment of many labourers. While at the present time compulsory insurance is in force for about 110,000 farms, it will have to be extended, if the bill becomes law, to 80,000 more, of which the value is estimated as less than 6,000 crowns. The agricultural workers for whom insurance will be compulsory will amount to about 380,000. Adding 160,000 persons who may be voluntarily insured according to the provisions, there will be, in the case of *agriculture alone*, a total of

(1) See especially "Assurandøen", Insurance Review, Copenhagen Nos. 3 and 4 of 1915.

540,000 persons whose insurance is provided for in the bill in question. We shall not speak further regarding the latter, it suffices to have mentioned it and we shall wait till the bill becomes law before discussing its tenor at length.

We shall, however, set forth the results obtained under the existing law, taking the necessary data from the report published annually by the agricultural division of the Council of Labourers' Insurance (1). This report, although those for previous years have been considered, always deserves attention on account of its wealth of data and the extraordinary interest of the statements it contains.

§ 2. Insurance against agricultural accidents in Denmark in 1913.

(1) *The frequency of accidents.* — The necessity of providing compensation for accidents to agricultural labourers is shown by the constantly increasing number of cases notified to the Council and dealt with by it since the passing of the law of May 27th., 1908.

A. *Compulsory insurance.* — In 1909, we find 550 claims for compensation ; in 1910, 1,978 ; in 1911, 2,312; in 1912, 2,370; in 1913, 2,418. Of the 2,418 claims brought before the Council, 265 (11 %) were rejected as not coming under the head of the cases contemplated by the law of 1908.

Of the remaining 2,153 considered, 1,178 were not cases giving claim to compensation, since the injured person reacquired his full capacity for work.

There thus remained 977 cases to be considered, of which 55 were fatal.

Of these 55 fatal cases, in 38 there were no heirs having a right to assistance; in 15 there were heirs possessing the right to compensation for a total amount of 35,000 crowns ; in three cases only partial compensation was given, amounting in all to 1,700 crowns.

Comparing these figures with those of other years since the coming into force of the law, we get the following table :

(1) Beretning fra Arbejderforsikrings-Raadets Landbrugsafdeling for Aaret 1913. See also our Bulletins of June, 1911, October, 1912 and May, 1914.

TABLE I. — *Accidents and Compensation for Compulsory Insurance.*

	Number of Fatal Cases	Cases in which the Survivors had a Right to Compensation		Amount of the Compensation Paid as		Total Compensation Paid — (crowns)
		Total Compensation	Partial Compensation	Total Compensation — (crowns)	Partial Compensation — (crowns)	
1909	26	12	—	30,000	—	30,000
1910	65	24	6	60,000	3,100	63,100
1911	89	39	7	97,500	3,600	101,100
1912	61	25	4	62,500	2,200	64,700
1913	55	14	3	35,000	1,700	36,700
1909-1913	296	114	20	285,000	10,600	295,600

It would be interesting to be able to explain the reasons for the great difference in the fatal accidents in the different years and why there were far more in 1911 than in the other years; but no such explanation is furnished by the report in question. The same is the case in regard to the persons whose working capacity has been permanently reduced 10 per cent, or more, by injury (others have no right to compensation). In fact the compensation required for such cases amounted in the different years to the following sums:

1909	10,332	crowns
1910	305,496	»
1911	425,340	»
1912	401,088	»
1913	368,676	»
1909-1913	1,510,932	crowns

In 1913 the degree of disablement produced and the compensation paid were as follows:

Diminution of Working Capacity —	Cases —	Compensation —	
10 %	183	65,880	crowns
11-15 »	147	73,224	»
16-20 »	71	50,112	»
21-25 »	51	45,900	»
26-50 »	55	70,740	»
51-75 »	24	56,340	»
76-99 »	1	2,880	»
100 »	1	3,600	»
	533	368,676	crowns

To these 368,676 crs. must be added 25,000 crs. paid under the head of additional compensation according to the revised judgment pronounced by the Insurance Council.

B. Voluntary insurance. — As has already been said, insurance is voluntary in the case of persons engaged in work for the proprietor or the manager of an estate of which the value as shown in the cadastre does not exceed 6,000 crowns, or engaged in agriculture, sylviculture, or horticulture, or the owner, or tenant, of such an estate, or the husband of such an owner or tenant. It is so in a word for all cultivators who are not subject to compulsory insurance, viz., hired workers, or as often occurs on such small farms, persons who are at the same time employers and workers, under which head is also included the wife of the proprietor, or manager. The frequent occurrence of accidents on these small holdings justifies the provision included in the bill extending compulsory insurance also to all labourers on farms of a value as shown in the cadastre of less than 6,000 crowns. In order to be able to draw correct conclusions and establish the frequency of the accidents, it would be necessary to know the number of the persons insured; but this information is not given us in the report.

In 1913 the accidents ascertained by the Council amounted to 116, of which 37 gave no right to compensation owing to the limited duration of their consequences. 5 resulted in death necessitating a total compensation of 12,500 crowns, while the rest were distributed in the following manner as regards the degree of disablement produced and the compensation paid.

10 %	22	7,920 crowns
11-15 »	22	11,124 »
16-20 »	15	10,650 »
21-25 »	5	4,500 »
26-50 »	8	9,460 »
51-75 »	2	5,040 »
76-99 »	—	— »
100 »	—	— »
	74	486,000 crowns

(2) *Age and sex of the victims. Time and causes of the accidents.* — If the report of the Insurance Council fails to enlighten us on some points, it contains, on the other hand, an abundance of most interesting information regarding the age and sex of the victims, the time at which the accidents took place and the causes of the latter. We shall dwell with particular attention upon these data which furnish exceedingly important experience in regard to insurance, all the more because they are omitted in many other official and non-official statistical returns dealing with this subject.

TABLE II. — *Classification of Accidents According to the Age and Sex of the Persons Insured.*

	Compulsory Insurance																					Voluntary Insurance					
	10 %		11-15 %		16-20 %		21-23 %		26-50 %		51-75 %		76-99 %		100 %		Total Number Disabled			Fatal			Total Number Disabled			Fatal		
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Under 10 years of age	—	—	—	—	1	—	—	—	—	—	1	—	—	—	—	—	2	—	2	2	—	2	—	—	—	—	—	—
From 10 to 14 years .	12	2	8	1	4	—	3	—	4	—	1	—	—	—	—	—	32	3	35	2	—	2	3	1	4	—	—	—
» 15 » 19 » .	18	2	10	2	9	—	9	—	4	2	1	2	1	—	—	—	52	13	65	14	4	18	1	—	1	—	—	—
» 20 » 29 » . .	33	5	32	2	10	—	2	1	8	—	5	1	—	—	—	—	90	9	99	6	1	7	1	3	4	—	—	—
» 30 » 39 » . .	20	5	23	2	11	—	9	—	3	2	3	1	—	—	—	—	69	10	79	3	2	5	4	2	6	1	1	2
» 40 » 49 » . .	16	2	16	5	8	3	2	—	4	2	1	—	—	—	—	—	47	12	59	4	—	4	11	3	14	1	—	1
» 50 » 59 » . .	25	6	21	7	13	2	8	1	5	1	2	—	—	—	1	—	75	17	92	6	—	6	12	8	20	1	—	1
» 60 » 64 » . .	13	2	7	1	1	1	7	—	10	—	1	—	-	—	—	—	39	4	43	4	1	5	6	4	10	—	—	—
» 65 » 69 » . .	5	3	4	—	4	—	3	1	4	1	5	—	—	—	—	—	25	5	30	—	—	—	3	3	6	1	—	1
» 70 » 74 » . .	5	—	4	—	1	—	4	—	4	1	—	—	—	—	—	—	18	1	19	4	—	4	6	1	7	—	—	—
» 75 » 79 » . .	3	1	1	—	1	1	1	—	—	—	—	—	—	—	—	—	6	2	8	2	—	2	1	—	1	—	—	—
80 and over	—	—	1	—	1	—	—	—	—	—	—	—	—	—	—	—	2	—	2	—	—	—	1	—	1	—	—	—
Total . . .	150	33	127	20	64	7	48	3	46	9	20	4	1	—	1	—	457	76	533	47	8	55	49	25	74	4	1	5

We have placed alongside of the data respecting compulsory insurance those relating to voluntary insurance, although the paucity of the latter allow of no positive conclusions being drawn from them; the sole noteworthy fact being that the percentage of accidents is larger for women in the case of voluntary insurance than in that of compulsory insurance. This fact is easily explained if we consider the kind of persons who are voluntarily insured (See page 37).

(3) *The causes of the accidents and the time of their occurrence.* — With regard to the kind of work, we have the following data referring to compulsory insurance:

	Disabled	Killed
Rural Holdings of the value of 100,000 cr. and upwards	87	10
» » » » 50,000–100,000 »	41	8
» » » » 20,000 – 50,000 »	183	20
» » » » 12,000 – 20,000 »	61	7
» » » » 6,000 – 12,000 »	46	2
Sylviculture	23	2
Horticulture	15	—
Dairying	22	1
Turf-cutting	3	—
Threshing	38	4
Working in Marl Pits	6	—
» **in Accessory Industries**	8	1
	533	55

The fatal cases and those causing disablement occurring in the various quarters of the year are distributed as follows:

	Compulsory Insurance	Voluntary Insurance
1st. Quarter	139	23
2nd. »	108	11
3rd. »	178	25
4th. »	163	20

As is seen, the largest number of accidents occurred in the third quarter which includes July, August and September, a period of more intense agricultural work (reaping, threshing etc.).

The following is the distribution according to the days of the week :

	Compulsory Insurance			Voluntary Insurance
	Men	Women	Total	
Sunday	56	6	62	9
Monday	80	10	90	11
Tuesday	68	16	84	15
Wednesday	73	16	89	9
Thursday	71	14	85	10
Friday	77	12	89	12
Saturday	74	9	83	13
Day not specified	5	1	6	—
	504	84	288	79

Let us give in conclusion some data regarding the causes of the accidents :

	Compulsory Insurance	Voluntary Insurance
Accidents caused by animals	94	17
» » » driving	91	13
» » » machines and implements	145	12
» » » falls	126	20
» » » crushings, blows etc.	47	—
» » » various causes	85	17

(4). *Proportion of victims of accidents registered with Sickness Insurance Societies.* — Let us conclude with some brief notes on the proportion of the persons registered with Sickness Insurance Societies injured during the year 1913. As has been said before, the existing law does not grant compensation to injured persons until after an interval of 13 weeks. During that time, the compensation is paid by the Sickness Insurance Society authorised by the State, with which the labourer is registered. In 1913, of the 2,395 cases of accident (compulsory insurance) submitted to the decision of the Insurance Council, 2,043 had been registered with Sickness Insurance Societies. Naturally, cases were excluded in which the individual was less than 15 years old, as he cannot at that age belong to a sickness insurance society.

In the following comparative table, data for 1911, 1912 and 1913 are given.

TABLE III. — *Number and Proportion of those Registered with Sickness Insurance Societies among the Persons Insured subject to Compulsory Insurance during the Years* 1911, 1912 *and* 1913.

Age	1911				1912				1913			
	Total Figures		Percentage		Total Figures		Percentage		Total Figures		Percentage	
	Registered	Not Registered	Registered	Not Resistered	Registered	Not Registered	Registered	Not Registered	Registered	Not Registered	Registered	Not Registered
15-19	177	313	36.1	63.9	247	310	44.3	55.7	247	283	46.6	53.4
20-24	151	195	43.6	56.4	152	177	46.2	53.8	173	177	49.4	50.6
25-29	103	113	47.7	52.3	96	96	50.0	50.0	99	102	49.3	50.7
30-34	73	77	48.7	51.3	71	59	54.6	45.4	101	49	67.3	32.7
35-39	68	51	57.1	42.9	107	53	66.9	33.1	83	44	65.4	34.6
40-44	73	20	73.7	26.3	85	35	70.8	29.2	81	33	71.1	28.9
45-49	75	51	59.5	40.5	69	40	63.3	36.7	59	53	52.7	43.3
50-54	50	63	44.2	55.8	52	60	46.4	53.6	56	44	56.0	44.0
55-59	59	70	45.7	54.3	52	49	51.5	48.5	52	63	45.2	54.8
60-64	48	51	48.5	51.5	34	56	37.8	62.2	35	62	36.1	63.9
65-69	26	39	40.0	60.0	25	35	41.7	58.3	27	35	43.5	56.5
70-74	13	25	34.2	65.8	13	25	34.2	65.8	17	37	31.5	68.5
75-79	2	10	16.7	83.3	4	13	23.5	76.5	3	17	15.0	85.0
80 and over.	—	6	0.0	100.0	—	7	0.0	10.0	4	1	80.0	20,0
Age not specified	1	2	33.3	66.7	3	—	10.0	0.0	3	3	50.0	50.0
	919	1,092	45.7	54.3	1,010	1,015	49.9	50.1	1,040	1,003	50.9	49.1

The corresponding figures for voluntary insurance were, in 1913, 162 registered (62.1 %) as against 99 (37.9 %) not registered. In 1912, there were 66.4 % registered as against 33.6 % not registered, and in 1911, 57.8 % registered as against 42.2 % not registered.

The percentage of those registered with the sickness societies is thus higher in the case of voluntary than in that of compulsory insurance. Although the percentage of the compulsorily insured persons registered is slowly increasing, nevertheless it is to be deplored that nearly half of the victims of accidents, owing to improvidence, are without assistance during the first 13 weeks. If this has been proved to be the case in a country like Denmark, where the rural population has attained so high a degree of both intellectual and economic development, we must recognise the advisability of the direct intervention of the State, wherever possible, to oblige the improvident and careless to make provision for less prosperous times.

§ 3. Insurance against accidents in work during 1914.

We shall add to what has been said a table containing general data respecting insurance against accidents in labour recently published by the Labourers' Insurance Council.

	Accidents Reported	Accidents in the Case of which Right to Compensation is Acknowledged	Fatal Cases	Compensation for Injury — (crowns.)	Compensation in Case of Death — (crowns.)
Manufactures	5,150	1,012	57	501,549	120,199.85
Fishing	122	95	34	20,880	43,900.00
Navigation	545	157	84	38,808	49,300.00
Agriculture	2,465	9	77	348,444	74,800.00
Total	6,570	2,397	269	957,345	303,109.85

These data show the large proportion of accidents in agricultural labour in the total number of accidents to labourers. Adding the figures for other years, we find that from 1908 to 1914, the total compensation paid for agricultural accidents, in the case of compulsory insurance alone, amounted to 2,267,556 crowns, of which, not taking into account the additional compensation granted during the years 1912-13, 370,400 crowns were paid as compensation in case of death, and 1,859,376 crowns in the case of disablement.

MISCELLANEOUS NEWS.

1 — THE RECOGNISED SICKNESS INSURANCE SOCIETIES IN 1913 AND 1914 — Although as we have seen, the sickness insurance societies have not yet reached the maximum of development they may be expected to attain in a country like Denmark, they are yearly approaching nearer to this goal.

At the end of 1913, there were in Denmark, 1,547 authorised sickness insurance societies, as against 1,578 in the preceding year

As it is not yet possible for us to give the data for 1914 relating to the distribution of these societies in Danish territory and to their composition, we shall give below the figures referring to the end of the preceding year:

TABLE I. — *Distribution of Sickness Insurance Societies in Denmark*

	Local Societies	Professional Societies	Industrial Establishments' Societies	Total
The Capital	43	33	—	16
Provincial Towns	127	23	10	160
Rural Communes of the Islands	565	2	4	571
Rural Communes of Jutland	712	—	2	741
The Faroe Islands	7	—	—	7
Total for Denmark	1,454	58	16	1,528

Although the table does not give special figures for agricultural societies, the importance of the sickness societies for the rural population is evident. In fact, out of 1,528 in 1913, 1,285 were local societies existing in the rural communes of the Kingdom. The same year, 98 ½ %, or nearly all these communes, possessed sickness insurance societies. The numerical development of these societies has been continuous, regular and rapid since the passing of the law of April 12th., 1892, by which they were created, as is shown in the following table:

TABLE II. — *Percentage of Rural Communes Possessing Recognised Sickness Insurance Societies.*

		Islands %	Jutland %	Entire Kingdom %
Dec. 31st.,	1893	42	20	30
»	1894	47	27	35
»	1895	53	33	42
»	1896	58	43	49
»	1897	60	58	60
»	1898	64	68	69
»	1899	70	73	74
»	1900	75	78	77
»	1901	77	78	77
»	1902	80	81	81
»	1903	81	83	82
»	1904	86	86	86
»	1905	89	90	89
»	1906	91	92	91
»	1907	94	96	95
»	1908	98	97 ½	96 ½
»	1909	95 ½	97 ½	96 ½
»	1910	96 ½	98	97
»	1911	97	98	97 ½
»	1912	97 ½	98 ½	98
»	1913	98	99	98 ½

As regards the number of the members, it was higher in 1914 than it had ever been before. We should notice that the report for 1913, showed the same encouraging improvement as compared with the preceding years. In fact the number of members which was 749,635, in 1912, rose to 795,639 in 1913 and 834,448 in 1914. The increase was 39,006 members from 1912 to 1913, 45,812 from 1913 to 1914 and 47,809 in the course of the year 1914. The rural districts of Jutland and of the islands showed relatively an increase of 7 and 5 per cent in comparison with the preceding year.

If the total number of members is compared with the total of the citizens of the Kingdom of above 15 years of age, it will be found that 44% of the latter belong to recognised sickness insurance societies. In 1908 the insured persons were only about ⅓rd., in 1904 ¼th., and in 1901 $^1/_5$th. of the population.

The State grant to the recognised societies was increased in 1914 to 2,936,000 cr. or nearly 171,000 cr. more than in the preceding year.

(Summarised from *the Statistiske Efterretninger*, published by the Statistical Department, Copenhagen, March 31st., 1915, No. 7 and the Report of the Inspector of Sickness Insurance Societies for 1913. Copenhagen).

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2. — SICKNESS INSURANCE OF FOREIGN RURAL WORKERS. — Danish agriculture employs a fairly large number of foreign labourers. In the summer of 1914, there were in Denmark 12,452 foreign workers of whom 2,191 were men, 10,224 women and 37 children of an age for work; 11,851, or 96 per cent of the total, were employed in agricultural work. These (of whom the number rose from 6,600 in 1907, to 12,700 in 1913, decreasing slightly in 1914) are for the most part Poles. In 1914, 9,332 came from Austrian Poland (Galicia), 2,938 from Russian Poland and 44 from German Poland. For the protection of these immigrants in a country of the language and customs of which the greater number were ignorant, a law, already mentioned by us, was passed in 1908 (amended in 1912), under the name of " Polaklonen ". This law especially regulated the contracts and the conditions of the housing of the immigrants, but contained in addition important provisions of social thrift, such as those relating to sickness insurance societies. According to art. 8 (law of April 17th., 1912), second and following paragraphs, " every contractor employing workers coming under the head of those mentioned in Art. 1 of the present law, is required to enter these foreign workers on the books of the mutual aid society " Sygeforsikring for udelandske Landarbejdere " (Sickness Insurance Society for Foreign Agricultural Labourers) recognised for the purpose by the Department of the Interior as a sickness insurance society. The State allows to this society, a grant of 50 öre per insured labourer and $^1/_6$th. of the total of the paid up contributions, up to the amount of one crown per annum per labourer insured.

" In the contract mentioned, in art. 4, it shall be expressly specified that foreign labourers shall be insured against the consequences of diseases. This insurance includes such burial charges as may not be covered by the sums still due on wages, and the deposit for the return journey. The insurance further covers the consequences of accidents in accordance with the laws relating to accidents in work ..... "

During the year from March 1st., 1913 to February 28th., 1914, 2,044 employers had insured 13,074 labourers. The society's receipts during the same period rose to 74,811 cr., of which 31,688 cr. consisted of the balance from the preceding year. Of the total expenses, 28,901 cr. represented hospital expenses, 3,545 cr. the doctor's fees, 335 cr. the cost of medicine and 1,110 crs. daily compensation. During the above-mentioned year, 952 cases of sickness were notified ; the days of sickness were 15,099, or about 16 days per labourer invalided and 1.56 per labourer insured.

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3. — HAIL INSURANCE. — There are in Denmark 15 mutual hail insurance societies. Of these 5 have their head quarters in the islands and

10 in Jutland. The societies had a total of 81,000 members; 43,000 of these belonged to island societies which, on an average, are considerably more important than those of Jutland (8,600 as against 3,800 members per society).

The total amount insured in 1913 was 195,000,000 cr., 99.8 per cent of this amount being insured in the insular societies and 95.2 % in the societies of Jutland. The compensation paid varied much from year to year, as is shown by the following figures:

	Total of Premiums and Other Receipts	Compensation Paid	Capital of the Societies
	—	—	—
1908	406,000	369,000	—
1909	260,000	223,000	—
1910	120,000	78,000	350,000
1911	129,000	78,000	354,000
1912	289,000	214,000	392,000
1913	300,000	291,000	326,000

There are no precise data as to the area insured against damage by hail. It can be approximately estimated at about $^1/_3$rd. of the country and at one half of the land capable of cultivation.

(Summarised from *Statistiske Efterretninger*, February 18th., 1915).

Part III: Credit

ITALY.

INTEREST BEARING MORTGAGES IN ITALY AT THE END OF 1910.

By Dr. Domenico Polizio,
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Introduction.

The utility of a report on the mortgage indebtedness as indicative of the conditions of landed property and the development of credit in one of its forms of widest and securest application cannot be overlooked.

If we may admit that today the interest in knowing what part of the mortgage indebtedness is borne by holdings not yet relieved of servitudes of ancient origin is becoming less, attention is on the other hand being given more and more to that portion, which is now the most important and is continually increasing, that is to debts on loans incurred for the benefit of agricultural or urban holdings, or in connection with the purchase of real estate by instalments, as this part is directly connected with the increase of production and prosperity.

To examine from this point of view the mass of savings spontaneously directed towards landed property as an investment presenting a certain stability and the rate of interest on such investments, the term for which the debts are incurred, the share the principal classes of lenders and borrowers have in them, to investigate as far as may be the object of the investment the nature of the real estate benefiting by the capital borrowed, as well as the distribution of the objects of these enquiries in the various

parts of the national territory, without doubt is a task for economic statistics to undertake of quite novel and increasing interest.

When further, thanks to these studies, it has become possible to establish the sphere of action of the banking institutes authorised to conduct land credit business, with special financial privileges and privileges in respect to procedure granted them by law, we should have the means of practically testing the sufficiency of the eventual imperfections of the measures to prevent loans at exorbitant interest, and at the same time to facilitate the production of wealth.

Statistical research in this direction is not yet sufficiently advanced and has not been very often undertaken.

France, where the methodical organization of this research was early studied (1), has not yet begun the research itself.

In fact, the earliest very limited researches, carried out on the initiative of the International Institute of Statistics, were made several years ago (2) and have not been followed up.

The Hungarian Government has recently commenced the study, but on a system that has been very much attacked (3). We know also that the Egyptian Government is, in its turn, beginning to occupy itself with the matter.

The most extensive and most reliable results have been obtained by the Italian Department of Finance. Its first studies were made at the end of 1903 and extended over the thirty years' period from 1874 to 1903, as, in accordance with the Italian Civil Code, mortgages expire at the end of thirty years; the second studies which have just been published cover the period 1881-1910 (4). In both cases only the certain interest bearing mortgage indebtedness was considered and the eventual mortgages not paying interest were neglected, as they are generally subject to suspensive conditions or are means of precaution, but, in reality, do not affect the value of the holding, and do not constitute an investment of capital.

We shall briefly examine the recent statistical return for the period up to the end of 1910, in its principal aspects and its signification.

Method and results.

In the first place the studies made in Italy have the merit of being reliable. If, in fact, in other countries it is easy to ascertain the amount of mortgage indebtedness from the public registers of mortgages, and ascert-

(1) *Bulletin du Conseil Supérieur de Statistique*, 1897. No. 6.

(2) *Bulletin de l'Institut International de Statistique*, Vols. XI, XIII and XIV.

(3) Fellner: *La dette hypothécaire et les charges publiques des immeubles en Hongrie. Do.* Vol. XVIII.

(4) Department of Finance: *Statistica del debito ipotecario fruttifero italiano e delle operazioni degli Istituti di credito fondiario al* 31 *dicembre* 1910.

ain their principal details, as their registration is compulsory, it is not everywhere as easy, as in Italy, to separate the certain from the eventual indebtedness, and, in regard to the first, to make careful, additional examination in regard to partial or total repayments not entered on the mortgage registers, either out of carelessness or to save expense, or on other grounds, as well as in the case of other changes not registered or duplicate entries.

This examination, which is indispensable if reliable results are to be obtained, on the other hand, is possible in Italy, owing to the special arrangements for the income tax affecting the certain interest bearing credits individually. in respect to all modifications up to the total repayment, whether made in regard to the rate of interest, the term or the substitition of the debtor or the creditor. As it is to the interest of the taxpayer at once to report duplicate entries and variations (the term for prescription being very short and the tax very heavy, 15 % of the gross revenue besides the additional centimes and the costs of collection), we may be certain that generally the alterations and duplicate entries are reported by the taxpayer to the taxing officer, even if not registered in the mortgage office.

The system being such, it is sufficient for the purposes of an accurate return that each mortgage credit in the thirty years' period to be studied be entered on a card afterwards forwarded to the taxing officer for identification and examination, so that he may make declaration whether at a date established in advance, the credit is still entire or modified in any detail, whether there are duplicate cards for the same credit, and, if that is the case, which of them must be destroyed.

The examination is then so complete that if the mortgage were fraudulently registered as not bearing interest, or if by chance it were omitted by the registrar from his report, the taxing officer would be able to show the credit that should appear in the return, unless the registrar, in his turn, could prove that none had to be shown, for example if the mortgage took effect from a later date than that fixed for the return of mortgages, or if there were only a note of hand.

It is only in the cases in which the Italian income tax regulations do not oblige, for special reasons, certain institutions (the State, provinces, communes, the Public Worship Fund, institutions in the enjoyment of civil personality, land credit establishments, banks and societies limited by shares) to establish the amount and the conditions of each of the credits bearing interest, that it is necessary to ask for the benevolent co-operation of these institutions, as it is not possible to find the necessary information in their statements of accounts. To say the truth, this special assistance was generously given, especially by the land credit establishments which at once interested themselves in the social object of this statistical return.

The same course was pursued in respect to the few cases of mutual aid societies exempted from income tax. Finally, when there was exemption for life annuities on account of their insignificant amounts, or for landlords' servitudes due to private individuals, as the voluntary co-oper-

ation of those enjoying them was *a priori* not to be expected, the information in the mortgage registers had to suffice.

This method, elaborated by the Department for its first statistical enquiry for the period ending December 31st., 1903, having given good results, was again applied in the second enquiry for the period ending December 31st., 1910.

The preface to this return furnishes information on this matter as well as in regard to the necessary unity of aim in the preparation and examination of the information in its first form, and the examination of each card and the later grouping of the data in synthetical tables.

The Italian Government proposed in the first place to examine the effects of two new influences favouring public economy, between 1903 and 1910, the reduction of the rate of interest and emigration, very justly observing that " In view of the general reduction of the rate of interest on loans a new situation was formed so favourable to the debtors that it enabled the State to reduce the legal rate of interest by 1 % by the law of June 22nd., 1905 . Further, other enquiries had revealed that the large amounts of money constantly sent to Italy by emigrants who had gone abroad in search of labour were to a large extent utilised, especially in certain regions for the repayment of debts and the purchase of real estate and for clearing of the burdens upon it. The new enquiry in regard to mortgage indebtedness was undertaken for the purpose of discovering whether the mortgaged real estate had benefited by an improvement corresponding with the burden of the conventional or judicial interest, as well as the importance of such improvement, the amount of the new savings utilised on mortgage security, for purposes of building or of agriculture and the amount of the business done by the land credit institutes. The new enquiry must finally furnish information that may be of use in case the studies for the conversion of the mortgage debt into land debt are resumed. "

The investigations conducted on these lines have shown that the number of the interest bearing credits entered on special cards was 1,160,266; from which number there must be deducted, as a result of the examination above mentioned : 1st., 335,782 fully paid off; 2nd. 7,992 duplicate entries ; 3rd., 7,822 entries erroneously made either by the registrar of mortgages or the taxing officer.

There thus remained, altogether or in part, at the end of 1910, 608,670 first mortgages for a total amount of 4,253,904,130 frs.

Our attention is immediately attracted by the very large number of credits fully repaid, the amount of which we do not know, because probably no importance was given to what may be considered as the withered portion of the vigorous plant, the green and living part claiming every attention. However, it is ascertained that in all the regions of Italy the number of mortgages very appreciably decreased between the end of 1903 and that of 1910. We seem, therefore, to be authorised in inferring that, during this period, there has been a general effort made to extinguish the ancient burdens on real estate and that this effort was intense at least in the regions from which there was the largest emigration overseas.

The following table shows the distribution of the mortgage indebtedness at the end of 1910, according to the regions as well as the percentages for the regions considered.

TABLE I. — *Territorial Distribution of the Italian Mortgage Indebtedness.*

	Number of Entries	Amount	Percentage of Number	Percentage of Amount
Piedmont	73,432	354,730,468	9.09	8.34
Liguria	26,886	189,051,832	3.33	4.45
Lombardy	67,830	818,281,412	8.38	19.24
Veneto	65,979	366,092,001	8.15	8.60
NORTH ITALY	**234,127**	**1,728,155,713**	**28.95**	**40.63**
Emilia and Romagna	46,048	358,822,926	5.69	8.44
Tuscany	90,335	469,798,827	11.18	11.05
Marche	24,297	109,288,187	3.00	2.57
Umbria	17,413	92,385,639	2.15	2.17
Latium	31,599	344,363,444	3.91	8.09
CENTRAL ITALY	**209,692**	**1,374,659,053**	**25.93**	**32.32**
Abbruzzi and Molise	41,545	80,747,883	5.13	1.89
Campania	86,765	355,342,546	10.95	8.35
Apulia	84,694	215,973,606	10.41	5.08
Basilicata	23,721	39,116,870	2.84	0.92
Calabria	23,026	84,661,453	2.80	1.99
SOUTH ITALY	**259,751**	**775,842,358**	**32.13**	**18.23**
Sicily	87,893	343,967,917	10.89	8.09
Sardinia	17,207	31,279,089	2.10	0.73
INSULAR ITALY	**105,100**	**375,247,006**	**12.99**	**8.82**
ITALY	**808,670**	**4,253,904,130**	**100**	**100**

The rates of interest per annum are divided into five classes :

Up to	3 ½ %		
Between	3 ½ %	and	5 %
»	5 %	»	8 %
»	8 %	»	10 %
Above	10 %.		

The first class probably includes the rates we may consider most in favour up to the present on account of their being so moderate, the second class may be considered as including the ordinary rates of honourable trade; the third may already be considered as including high rates ; the fourth and fifth include ruinous and usurious rates of interest exceptionally asked in the case of life annuities and servitudes of ancient origin in regard to which a plausible reason may be established by contract or which may be justified on historical grounds as the burden is no longer borne by the real possessor or purchaser of the land.

It would have been certainly advisable to establish a more minute distinction in the group of rates between 3 ½ % and 5 %, as that paid on about three fourths of the mortgages, were it only to facilitate comparison, for, in short periods of time, the variations in the rate of interest are generally slight and are lost slight of in a too heterogeneous mass. We think the Department itself is now convinced of the advisability of taking this into consideration when a new return of mortgages is prepared.

Under existing conditions, the mortgage credits and their amounts are classified as under, in respect to the annual rate of interest.

TABLE II. — *Rates of Interest per Annum.*

Interest Bearing Mortgages	Number	Amount	Percentage of Number	Percentage of Amount
Up to 3 ½ %	33,774	470,942,203	4.18	11.07
Between 3 ½ and 5 %	527,501	3,084,591,030	65.24	72.52
» 5 » 8 »	211,584	621,537,258	26.15	14.61
» 8 » 10 »	30,663	65,063,625	3.79	1.53
Above 10 %	5,148	11,770,014	0.64	0.27
TOTAL	**808,670**	**4,253,904,130**	**100 —**	**100 —**

The great mass of these mortgages originate, as we have already said, in loans which may be distributed as follows, according to the rate of interest :

TABLE III. — *Rate of Annual Interest on Loans.*

Loans	Number	Amount in Frs.	Percentage of Number	Percentage of Amount
Up to 3 ½ %	17,787	417,921,635	4.60	12.56
Between 3 ½ % and 5 %	216,506	2,382,016,140	55.95	71.62
» 5 » 8 »	131,872	492,289,931	34.07	14.80
» 8 » 10 »	18,522	30,346,907	4.79	0.91
Above 10 %	2,295	3,712,370	0.59	0.11
TOTAL	**386,982**	**3,326,286,983**	**100 —**	**100 —**

This comparison shows that the greater part of the money lent brings in only a low or the usual rate of interest (a consequence, as we shall soon see, of the action of the land credit institute), but it also shows that a considerable portion is lent at rates above five per cent and even at usurious rates.

The information in fact obtained from the 808,670 cards relating to credits in course is shown in seven detailed tables, the selection and arrangement of which bring into relief the essential elements of the mortgages, according to the civil law of Italy as well as some other economic and demographic statistics it was considered desirable to ascertain. More precisely :

The first table shows the mortgage credits according to their amount, distinguishing those not exceeding 1,000 francs (very small credits), those between 1,000 frs. and 10,000 frs. (small credits), those between 10,000 and 50,000 frs. (average credits) and, finally, those for more than 50,000 francs. Since generally and above all in the case of loans, the amount of credit is in direct relation to the value of the holdings, it may be admitted within reasonable limits, that the distinction constitutes a reliable indication of the economic importance of the encumbered holdings, that is, respectively of the very small, the small, the average sized and the large landed property encumbered.

The second table is concerned with the creditors and distinguishes: 1st., the State, which is a large creditor in regard to annual dues devolving on it as possessor of the ancient domains of the former States of Italy ; 2nd., the provinces and communes ; the latter are for the most part creditors in respect to annual dues devolving on them through their shares of the communal domains ; 3rd., the Public Worship Fund, a State Department, a large creditor in respect to annual dues devolving on it through the suppression of ecclesiastical property ; 4th., the land credit institutes, which make the largest loans; 5th., other organizations and societies including savings banks and other banks ; 6th., private individuals.

The third table is concerned with the debtors, and distinguishes; 1st., the State; 2nd., the provinces and communes; 3rd., the Public Worship Fund; 4th., Institutes of every kind, including those of co-operative character, for house building purposes, as a special return of these institutes recently formed and developing with the help of credit seemed desirable; 5th., the other incorporated bodies and societies; 6th., private individuals.

The fourth table is concerned with the causes of the debt, which are grouped as follows: purchase price of land still unpaid; annual dues of every kind and life annuities; loans; other causes. The latter include mortgages in connection with any other obligation not specified in the other groups, and most of the judicial mortgages.

The fifth table is concerned with the term of the mortgage loans, in relation to the rate of interest. The terms were classified as five years, ten years, twenty years, more than twenty years, or periods undefined. If the period registered were exceeded, the fact was reported, as it is reasonable to be presumed that it was by agreement.

The sixth table is specially concerned with the operations of the land credit institutes, showing the amount, and the nature of the holdings offered in security of the loan.

The seventh table shows the distribution of the mortgage debt in the communes of the Kingdom, according to the population as ascertained at the last census. Account is taken of the nature of the mortgage, that is whether legal, conventional or judicial, and of the class of property engaged, that is whether land, buildings or both. The communes were divided into four groups, with population of not more than 5,000 inhabitants (very small rural communes), between 5,000 and 20,000 inhabitants (small communes), between 20,000 and 100,000 inhabitants (communes of average size) or over 100,000 inhabitants (large urban centres) and these classes are preceded by another including mortgages for indefinite amounts on land situated in more than one commune irrespective of the population. The amounts obtained by capitalisation of the annual income and life annuities have been kept separate.

In every table and in each class the number and amount of mortgages were shown, and, where possible, have also been grouped according to the rate of interest per annum.

The reports were made first, for the mortgage registry offices, of which there are 129 in Italy; then, for the provinces, the regions and the entire Kingdom.

For the easier understanding of the tables and their verification, there is prefixed a table in which the results are summarised for each of the sixteen regions of Italy, for each of the large divisions, North, Central, South and Insular Italy, and for the whole Kingdom.

We reproduce the summary here:

TABLE IV. — *Statistics of Interest Bearing Mortgages*

Mortgages	Not Exceeding 3 ½ %		Between 3 ½ and 5 %		An
	Number of Mortgages	Amount	Number of Mortgages	Amount	
Amount of the Mortages.					
Up to 1,000 frs.	16,089	6,266,397	292,255	103,343,[illegible]	
Between 1,001 frs. and 10,000 frs.	11,855	44,278,387	184,224	671,873,[illegible]	
» 10,001 » » 50,000 »	4,059	97,433,950	42,175	936,913,[illegible]	
50,001 frs. and more	1,771	322,963,469	8,847	1,372,460,[illegible]	
Total	**33,774**	**470,942,203**	**527,501**	**3,084,591,[illegible]**	
Creditors.					
The State	1,159	5,302,285	11,243	14,423,[illegible]	
Provinces and Communes	4,027	3,636,010	23,322	24,656,[illegible]	
Public Worship Fund	563	696,876	28,056	18,542,[illegible]	
Land Credit Institutes	8,364	331,566,714	20,323	656,180,[illegible]	
Other Credit Institutes, Societies and Incorporated Bodies	8,547	25,460,791	150,970	703,402,[illegible]	
Private Individuals	11,114	104,279,527	293,587	1,667,385,[illegible]	
Total	**33,774**	**470,942,203**	**527,501**	**3,084,591,[illegible]**	
Debtors.					
The State	4	15,181	43	1,153,[illegible]	
Provinces and Communes	127	3,073,036	1,258	41,169,[illegible]	
Public Worship Fund	1	294	1	2[illegible]	
Building Institutes and Co-operative Societies	111	46,522,736	268	34,681,[illegible]	
Other Societies and Incorporated Bodies	348	15,062,297	2,498	268,598,[illegible]	
Private Individuals	33,183	406,218,659	523,433	2,738,985,[illegible]	
Total	**33,774**	**470,942,203**	**527,501**	**3,084,591,[illegible]**	
Origin of the Mortgage.					
Purchase Price Still Unpaid	1,694	13,775,571	23,926	178,817,[illegible]	
Annual Income and Life Annuities	12,225	16,167,628	226,324	328,327,[illegible]	
Loans	17,787	417,921,635	216,506	2,382,016,[illegible]	
Other Causes	2,068	20,077,369	60,745	195,429,[illegible]	
Total	**33,774**	**470,942,203**	**527,501**	**3,084,591,[illegible]**	
Term of Loans on Mortgage.					
Less than 5 years	2,545	27,196,283	46,794	405,172,[illegible]	
» » 10 »	2,149	25,554,562	46,723	567,18[illegible]	
» » 20 »	3,435	77,519,198	52,179	444,582,[illegible]	
More than 20 years or for Unspecified Time.	9,658	287,652,092	70,810	465,08[illegible]	
Total	**17,787**	**417,921,635**	**216,506**	**2,382,016,[illegible]**	

Operations of Land Credit Institutes.

Loans up to 1,000 frs.	
» between 1,001 » and 10,000 frs.	
» » 10,001 » » 50,000 »	
for 50,001 and more	
Total	

December 31st., 1910 (Kingdom of Italy).

rest							
Between 5% and 8%		Between 8% and 10%		Above 10%		Total	
Number of Mortgages	Amount	Number of Mortgages	Amount	Number of Mortgages	Amount	Number of Mortgages	Amount
112,844	52,417,298	17,970	9,099,985	3,173	1,502,237	442,331	172,628,974
88,569	288,825,699	11,851	34,354,147	1,803	5,299,012	298,302	1,044,630,477
9,283	186,560,543	780	15,012,893	154	3,091,171	56,451	1,239,012,527
888	93,733,718	62	6,596,600	18	1,877,594	11,586	1,797,632,152
211,584	**621,537,258**	**30,663**	**65,063,625**	**5,148**	**11,770,014**	**808,670**	**4,253,904,130**
5,782	8,872,399	12	8,262	14	2,424	18,210	28,609,339
1,845	1,627,086	193	42,568	131	70,467	29,518	30,032,617
6,225	2,865,492	141	57,578	29	37,253	35,014	22,199,788
11	113,697	»	»	»	»	28,698	987,860,774
45,782	128,515,074	1,657	1,691,646	717	1,017,860	207,673	860,087,706
151,939	479,543,510	28,660	63,263,571	4,257	10,642,010	489,557	2,325,113,906
211,584	**621,537,258**	**30,663**	**65,063,625**	**5,148**	**11,770,014**	**808,670**	**4,253,904,130**
3	2,159	»	»	»	»	50	1,170,393
152	2,133,034	4	37,590	1	2,342	1,542	46,415,838
»	»	»	»	»	»	2	2,784
8	420,658	»	»	»	»	387	81,675,281
463	4,210,019	44	168,145	10	87,131	3,363	288,126,138
210,958	614,771,388	30,615	64,857,890	5,137	11,680,541	803,326	3,836,513,696
211,584	**621,537,258**	**30,663**	**65,063,625**	**5,148**	**11,770,014**	**808,670**	**4,253,904,130**
12,909	25,811,261	248	335,537	29	42,259	38,806	218,782,614
35,548	29,730,524	9,965	30,561,592	2,517	7,464,916	286,579	415,262,104
131,872	492,289,931	18,522	30,346,907	2,295	3,712,370	386,982	3,326,286,983
31,255	73,695,542	1,928	3,819,589	307	550,469	96,303	293,572,429
211,584	**621,537,258**	**30,663**	**65,063,625**	**5,148**	**11,770,014**	**808,670**	**4,253,904,130**
24,944	96,354,203	2,533	4,094,861	214	427,709	77,030	533,245,517
25,757	98,136,497	2,428	4,392,005	224	297,717	77,281	695,561,179
36,711	117,933,097	5,355	8,347,343	590	736,717	98,270	649,118,723
44,460	179,866,134	8,206	13,512,698	1,267	2,250,227	134,401	1,448,361,504
131,872	**492,289,931**	**18,522**	**30,346,907**	**2,295**	**3,712,370**	**386,982**	**3,326,286,983**

secured on

Land		Buildings		Both Land and Buildings		Total	
326	184,043	4,019	1,643,485	513	285,150	4,858	2,112,678
2,662	13,414,768	3,663	16,485,776	3,630	19,639,839	9,955	49,540,383
2,257	50,777,697	3,092	77,274,048	4,012	98,617,993	9,361	226,669,738
787	118,077,031	1,698	267,002,003	2,039	324,458,941	4,524	709,537,975
6,032	**182,453,539**	**12,472**	**362,405,312**	**10,194**	**443,001,923**	**28,698**	**987,860,774**

TABLE IV. (*Continued*). — *Statistics of Interest Bearing*

Mortgages			Kind of Proper: Land — Number of Mortgages	Land — Amount of Annual Income	Land — Amount of Capital Invested	Number of Mortgages
Property Mortgaged and Nature of Mortgages						
Mortgages Registered in more than one Commune	on Security of Capital	Legal	445	»	3,356,829	52
		Conventional	6,012	»	98,966,676	991
		Judicial	1,835	»	7,954,857	291
	on Security of Annual Income and Life Annuities	Conventional	2,329	627,306	12,112,176	238
		Judicial	143	41,904	804,391	12
		Total	**10,764**	**669,210**	**123,194,929**	**1,584**
Mortgages Registered in one Commune only — with Population up to 5,000 Inhabitants	on Security of Capital	Legal	11,612	»	21,089,637	2,234
		Conventional	59,297	»	201,823,399	27,018
		Judicial	14,364	»	18,804,353	5,979
	on Security of Annual Income and Life Annuities	Conventional	76,524	3,318,858	62,317,005	17,623
		Judicial	9,971	297,055	5,848,943	398
		Total	**171,768**	**3,615,913**	**309,883,337**	**53,252**
with Population of Between 5,000 and 20,000 Inhabitants	on Security of Capital	Legal	6,626	»	19,851,339	2,722
		Conventional	37,493		187,456,069	29,700
		Judicial	8,451	»	16,609,554	6,058
	on Security of Annual Income and Life Annuities	Conventional	68,477	3,390,853	66,427,787	23,547
		Judicial	2,285	121,697	2,366,564	340
		Total	**123,332**	**3,512,550**	**292,111,313**	**62,367**
with Population of Between 20,000 and 100,000 Inhabitants	on Security of Capital	Legal	3,164	»	9,879,600	2,134
		Conventional	16,760	»	95,556,503	25,042
		Judicial	3,074	»	7,372,219	3,561
	on Security of Annual Income and Life Annuities	Conventional	23,609	2,859,302	35,072,087	13,225
		Judicial	430	61,217	1,051,463	129
		Total	**47,037**	**1,920,519**	**148,931,872**	**44,091**
with Population of more than 100,000 Inhabitants	on Security of Capital	Legal	931	»	16,609,480	1,421
		Conventional	2,878	»	60,878,735	24,905
		Judicial	496	»	2,905,547	2,340
	on Security of Annual Income and Life Annuities	Conventional	2,897	714,957	11,944,673	5,334
		Judicial	59	11,126	190,614	165
		Total	**7,261**	**726,083**	**93,529,049**	**34,171**
Total	on Security of Capital	Legal	22,778	»	70,786,885	8,561
		Conventional	122,440	»	644,681,382	107,650
		Judicial	28,220	»	53,646,530	18,23.
	on Security of Annual Income and Life Annuities	Conventional	173,836	9,911,276	187,873,728	59,96
		Judicial	12,888	532,999	10,261,975	1,04
		Total	**360,162**	**10,444,275**	**967,250,500**	**195,46**

Mortgages up to December 31st., 1910 (Kingdom of Italy).

ty Burdened					Total		
Buildings		Land and Buildings Together					
Amount of		Number of Mortgages	Amount of		Number of Mortgages	Amount of	
Annual Income	Capital Invested		Annual Income	Capital Invested		Annual Income	Capital Invested
»	448,989	532	»	10,446,005	1,029	»	14,251,823
»	28,751,441	16,506	»	463,373,744	23,509	»	591,091,861
»	957,734	8,437	»	44,442,450	10,563	»	53,355,041
58,115	1,029,391	2,117	1,178,284	21,269,496	4,684	1,863,705	34,411,063
12,148	167,975	161	91,424	1,686,100	316	145,476	2,658,466
70,263	**31,355,530**	**27,753**	**1,269,708**	**541,217,795**	**40,101**	**2,009,181**	**695,168,254**
»	4,633,742	3,585	»	26,189,793	17,431	»	51,913,172
»	69,612,353	72,474	»	469,507,616	158,789	»	740,943,368
»	4,930,504	22,854	»	34,093,752	43,197	»	57,828,609
516,992	8,993,493	14,324	1,954,117	33,470,398	108,471	5,789,967	104,780,891
37,775	535,155	556	91,069	2,634,911	10,925	425,899	8,019,009
554,767	**88,705,247**	**113,793**	**2,045,186**	**564,896,465**	**338,813**	**6,215,866**	**963,485,049**
»	8,162,163	2,036	»	18,849,895	11,384	»	46,863,397
»	104,673,144	41,869	»	408,991,256	109,062	»	701,120,469
»	7,752,331	12,568	»	30,834,267	27,077	»	55,196,152
982,139	17,679,277	12,697	1,815,854	33,367,359	104,721	6,188,846	117,474,423
23,206	370,906	317	73,857	1,429,119	2,942	218,760	4,166,589
1,005,345	**138,637,821**	**69,487**	**1,889,711**	**493,471,896**	**255,186**	**6,407,606**	**924,821,030**
»	9,566,130	1,025	»	8,982,381	6,323	»	28,428,111
»	162,271,763	18,919	»	212,149,928	60,721	»	469,978,194
»	6,921,461	5,249	»	17,606,400	11,884	»	31,900,080
1,191,006	21,494,478	7,251	1,371,533	26,126,095	44,085	4,421,841	82,692,660
27,723	475,919	138	62,208	1,168,311	697	151,148	2,695,693
1,218,729	**200,129,751**	**32,582**	**1,433,741**	**266,033,115**	**123,710**	**4,572,989**	**615,694,738**
»	40,312,843	420	»	14,003,290	2,772	»	70,925,613
»	651,499,9 6	6,603	»	188,792,163	34,386	»	901,170,834
»	13,908,820	1,122	»	6,860,935	3,964	»	23,675,302
2,117,870	36,306,882	1,216	493,898	8,169,068	9,447	3,326,734	56,420,623
75,047	1,291,412	67	32,146	460,661	291	118,319	1,942,687
2,192,926	**743,319,893**	**9,428**	**526,044**	**218,286,117**	**50,860**	**3,445,053**	**1,054,135,059**
»	63,123,867	7,598	»	78,471,364	38,939	»	212,382,116
»	1,016,808,637	151,371	»	1,742,814,707	386,467	»	3,404,304,726
»	34,470,850	50,230	»	133,837,804	96,685	«	221,955,184
4,866,131	85,503,521	37,605	6,813,686	122,402,411	271,408	21,591,093	395,779,660
175,899	2,841,367	1,239	350,704	6,379,102	15,171	1,059,602	19,482,444
5,042,030	**1,202,748,242**	**253,043**	**7,164,390**	**2,083,905,388**	**808,670**	**22,650,695**	**4,253,904,130**

§ 1. The amount of the mortgages.

Therefore, in Italy there is a prevalence of small and very small credits, constituting about 92 % of the number, while their amount is almost 30 % of the total amount.

Both absolutely and relatively most of the interest at high rates is paid on them.

This suffices, we think to show how little small holdings benefit by credit and the difficulties they generally encounter in obtaining it, even when giving real security. The interest on a fair proportion of these credits is indeed, low, and does not exceed 3 ½ % and on a larger proportion interest is paid at the usual rate, from 3 ½ % to 5 % ; but, still, there remains a large proportion on which the interest is high, that is about a third part of the amount of these small credits, met with most frequently in South Italy and the islands.

The credits of average amount constitute 7 % of the total number and their amount is about 30 % of the total amount. Even in the case of these it is no rare thing to find that the interest is high, in excess of 5 %, although the proportion paying these high rates is not so large as in the case of small credits, being 17 % of the total. In this case also we find the situation is worst in Southern and Insular Italy.

The large mortgages represent, respectively about 1 % of the number and a little more than 40 % of the total value of the mortgages of the country The interest on these is for the most part very low or of average amount. In fact, out of 1,797,000,000 frs., quite 1,694,000,000 frs., or more than $^{94}/_{100}$ pay interest not exceeding 5 % and represent the greater part of the capital invested at low interest. From these points of view, the situation in North and Central Italy is best.

In the interval between 1903 and 1910 we may note a general tendency towards a reduction of the number of mortgages, that is from 916,694 to 808,670 with an increase in their value from 3,666,230,620 francs to 4,253,904,130 francs, or a decrease of 108,024 in the number and an increase of 587,673,510 frs. in thier amount. The average amount of the interest bearing mortgage has, therefore, risen, in this period, from 3,998 frs. to 5,260 frs.

To the decrease in number all the regions of Italy contribute, but only North and Central Italy contribute to the increase in value, and, in the first place, Lombardy, while South Italy and the islands show a tendency partially to extinguish their mortgage debt, except that in Abruzzi the number of the mortgages has indeed been considerably reduced, but the amount has increased.

Here we see, generally, evident indications of economic progress, however the results are regarded. In fact, it is undeniable that there has been the greatest economic progress in ecent times precisely in North and

Central Italy and especially in Lombardy: it must, therefore, be admitted that most of the mortgages, favoured by the reduced rate of interest, have, in these districts, generally served the purposes of production. The decrease in the debt, on the other hand, in the South and in the islands, can only be ascribed to a special cause. Another extensive enquiry of these days (1) had already shown it: it is the remittance of large amounts of money to those countries, by the emigrants, for the purpose of the extinction of mortgages on their own holdings, or on holdings purchased by them, or increasing the available local savings, which facilitate the substitution of loans on notes of hand for the older and more expensive mortgages.

The exception noted in the case of the Abruzzi is more apparent than real, since there, where indeed the number of the mortgages has decreased by one fifth, the debt has increased principally in places (especially in the Province of Aquila) where, in recent years, a slow but industrious economic transformation has been in course, that must have rendered necessary also a larger amount of real security.

§ 2. Mortgagees.

The majority of the mortgagees, that is sixty per cent of them, are private individuals. The greater part, 55 %, of the capital lent on mortgage is theirs. They receive the highest interest. It may be affirmed that in Italy they are the only usurers.

Incorporated bodies, banks and societies possess about one fourth of the credits, representing one fifth of the total amount. This is an important group, which it would be certainly very advisable to divide into two portions, respectively for the banking institutes and the other incorporated bodies, since the work of the former is most important and is quite different, their investments being loans of considerable amount at low interest, while the other organizations are creditors to a smaller extent, often receiving high interest, because they are essentially creditors for annual dues, thus capitalized. The Department of Finance affirms that it was its intention to distinguish the credit institutes from the other incorporated bodies, but it had unfortunately to abandon the idea in view of the difficulties in the way of an accurate identification.

It may be that it is not easy to say if a charitable institution or a commercial society, which is a mortgage creditor even for loans on mortgage, may or may not be considered as a credit institute, but the distinction would seem to be clear at least in the case of some special organizations, like the Savings Banks, the Monti and those other institutes indicated as commercial banks in their title. It is, therefore, to be desired that, when another

(1) Inchiesta parlamentare sulle condizioni dei contadini nelle province meridionali e nella Sicilia. Rome, 1910-11.

statistical return is prepared, at least these latter organizations may be kept distinct, as they are among the largest creditors and are numerous in many regions.

The most important amounts belonging to this class of creditors are invested in Central Italy and then in North Italy. The Department observes that the largest groups consist of the credits of the savings banks, people's banks and co-operative societies, even those denominational in character, most largely to be found in Tuscany, Emilia, Venetia and Lombardy, while in Latium we find mortgage credits principally in favour of the religious organisations.

The land credit institutes possess more than three per cent of the mortgage credits, for an amount of about 23% of the total registered in the Kingdom. These deserving institutions are : the Bank of Italy, the Bank of Naples, the Bank of Sicily (for the special business of land credit in case of liquidation), the Italian Land Credit Institute, The Opera Pia of San Paolo of Turin, the Savings Bank for the Lombard Provinces in Milan, the Savings Bank of Verona, the Monte dei Paschi of Siena, the Savings Bank of Bologna and the Sardinian Land Credit Institute. Besides these, there were classed among the land credit institutes, as having the special characteristic of such institutes, the independent Consortium for subventions on mortgage to the persons damaged by the eruptions of Vesuvius and the Vittorio Emanuele III Institute (provisional section) for rebuilding in communes damaged by the earthquake in the provinces of Calabria. Altogether, the loans amounted to 28,698 for 987,680,774 frs. These loans have been granted for more than a third part of their total value at rates not exceeding 3 ½ %, and for the rest at rates a little higher, the proportion of which has been reduced since the legislative provisions for the reduction of the legal rate of interest came into force. Seldom do we find a rate above 4 ½ % and only in the case of a very few Sardinian land credit operations, of ancient origin, was the rate slightly over 5 %. Sometimes there were even low rates of 2 % on loans for special purposes of public utility, as, for example, for the repair of damages produced by earthquakes, floods, landslips, volcanic eruptions, etc.

The group of provinces that have benefited least by the land credit institutes is that of the islands.

The State and the Public Worship Fund have still many mortgage credits for an amount of a little more than 1 % of the total registered in the Kingdom. For the most part, these are dues devolving to them as inheritors of the ancient domains and of ecclesiatical property ; there are also others securing the balance of purchase prices still due and others that are judicial mortgages. On some for dues of ancient origin the interest is high ; but, since the laws in favour of dismortgaging and the possibility of postponement or compromise greatly assist the debtors, it may be considered that this portion of the mortgage indebtedness is not burdensome and will be more and more reduced.

The greater part of the mortgage credits of the kind affect property in Southern and Insular Italy, more particularly in Basilicata, Calabria,

Sicily and Sardinia. In some districts of Sardinia, a singular state of things is to be observed. In that of Oristano, for example, one third of the mortgage credits for an amount of more than one fifth of the total, belongs to the State and the Public Worship Fund; in that of Tempio Pausania, about half belongs to the State, the Public Worship Fund and the communes and other incorporated bodies; in that of Nuoro, about one third of the credits on mortgage, both as regards number and value, belongs to the State, the Public Worship Fund and the communes, while a large proportion of the rest belongs to incorporated bodies, so that, the smallest portion of the credits representing about one fourth of their value, belongs to private individuals. These circumstances contribute to show the slow transformation of these districts from an economic point of view.

Very small, that is less than one hundredth part of the whole, is the total amount of mortgage credits belonging to the communes and the provinces. These also for the most part secure the annual dues from the domains or the balance of purchase prices.

§ 3. The mortgagers.

The mortgage debt weighs especially heavily on private persons, who bear about nine tenths of the whole burden and, in most cases, pay the highest interest. Only in the districts of Bobbio and Feltre do they bear it alone.

The larger portion of the other tenth, on which generally low interest is paid, is borne by incorporated bodies and commercial societies. The greater number and the largest amount of these debts are supported by North and Central Italy, where often societies guarantee their bonds on their real estate and workshops. This is most frequent in certain districts of Piedmont (Novi Ligure, Saluzzo, Novara, Pallanza, Varallo, Ivrea and Susa), of Liguria (Chiavari and Savona), of Lombardy (Bergamo, Breno and Brescia), of Venetia (Belluno and Venice), of Tuscany (Portoferraio), of Umbria (Spoleto) and is also to be noted in certain districts of the South as in Abruzzi (Aquila) and Apulia (Bari).

We must mention a group of 387 mortgages for the amount of 81,600,000 francs separately reported, passed by building societies and institutes of every kind. These are institutes of recent formation, that are gradually extending themselves in the larger centres, often with the encouragement of the State or the communes, with the object of solving the problem of the moment of the high price of lodgings, which is continually becoming more serious, such institutes having need of large credits. It will be certainly well to consider the further development of the mortgage indebtedness of these bodies, distinguishing them from the rest. They generally benefit by low interest, that being an essential condition of their life. The largest number are to be found in Campania, on account of the large credits granted at one time to the Naples Risanamento Society. They

are also found in large numbers in North and Central Italy, especially in Turin, Alessandria, Genoa, Bergamo, Milan, Bologna, Modena, Florence and Rome; but in most of the districts, and principally in the islands, this special application of mortgage credit is little if at all known.

A hundredth part of the total debt is borne by the communes and the provinces owing to the important fact that some communes, especially in North and Central Italy have succeeded in obtaining loans from the local banks.

The State owes about 1,000,000 frs. on mortgage, chiefly in Central Italy, partly for purchase of real estate paid for in instalments, partly for expropriations for purposes of public utility.

The Public Worship Fund owes the somewhat insignificant balance.

The burden of the debt must not, however, be considered only in regard to the amount, but above all in regard to the interest.

The development of credit is an indication of economic progress, if the rate of interest remains low, if the credit is utilised for purposes of production, if easily granted on the various kinds of property and business activity, on favourable conditions for repayment. The relations between the mortgage debt and the conditions of landed property must, therefore, be studied in respect to their quality and principally in respect to the interest on the different investments, which may constitute the most evident indication of the conditions of the debtors. Such a study must be as detailed as possible, for even in regions that show many signs of prosperity there may be districts of comparative poverty, and, sometimes, in other districts, where the savings and the business activity are of small importance and usury is rife, there are cases in which the conditions of the debtors are by comparison better.

Now it may be said that, while between 1903 and 1910 the amount of mortgage indebtedness in Italy has increased by 587,000,000 frs., giving an average of 84,000,000 frs. the year, the rate of interest has, on the other hand, been considerably reduced; so that the debtors have succeeded, generally, in obtaining better conditions on the market, the reduction of the legal interest by 1 % per annum, in accordance with the law of June 22nd., 1905, representing only a detail in the general improvement.

Indeed, the various classes of mortgage, divided in accordance with the rate of interest, corresponded with the following percentage of the indebtedness at the end of 1903 and 1910, respectively:

	End of 1903	End of 1910
At Interest not exceeding 3 ½ %	4.36	11.07
» » between 3 ½ % and 5 % .	70.72	72.52
» » » 5 % » 8 % .	22.69	14.61
» » » 8 % » 10 % .	2.00	1.53
» » exceeding 10 %	0.23	0.27
	100.00	100.00

The improvement is evident, indeed remarkable for so short a period, and general. The exception in the small group of investments at more than 10 %, which shows a slight increase, is due to the influence of the life annuities and annual dues capitalised at high rates of interest, more severely estimated on December 31st., 1910.

While in North Italy alone the indebtedness increased by 474,000,000 frs. and in Central Italy, by 169,000,000 frs., the reduction of the rate of interest was general in the whole Kingdom, although chiefly in all the regions of North Italy, especially in Lombardy and Piedmont, and in Central Italy, principally in Tuscany, Emilia and Latium, owing to the capital contributed by the latter. Since it is a question of the regions most advanced from the point of view of agriculture, industry, commerce and building, it may be concluded that, in general, the improvement of the situation of the debtors has benefited economic enterprise.

Even in South and Insular Italy the reduction of the burden of the interest is evident, although in less degree and less uniformly in the various regions. Here more than elsewhere we frequently find districts in which the burden is heavy, as appears from an examination of the various districts of registry offices.

§ 4. Causes of the indebtedness.

The mortgage indebtedness is principally due to loans, corresponding with about half the mortgages and four fifths of the amount.

The loans increased considerably from 1903 to 1910, that is by about 700,000,000 frs., principally in North Italy, by 487,000,000 francs, then in Central Italy by 205,000,000 frs., and in the islands by 25,000,000 frs. On the Southern mainland there has been a slight decrease, except in Abruzzi and Apulia.

It will be well to give the following percentages of the total mortgage indebtedness as established for loans in the different divisions of the Kingdom.

	Number of Mortgage Loans	Amount of Mortgage Loans
North Italy	68.72	85.25
Central »	41.94	76.83
South »	37.86	74.96
Insular »	37.84	57.32
Italy	47.85	78.18

Another important class of mortgages secure annual dues and life annuities. This class includes about a third of the whole number of mort-

gages, corresponding with a little less than one tenth of the amount. The total amount of annuities secured is about 22,000,000 frs., corresponding with a capital of 415,000,000 frs.; but this source of debt is decreasing.

The smallest group of mortgages secures the balance of the purchase price of land and corresponds with about one twentieth equally of the number and amount of the mortgages. There is, however, a slight increase in this class, especially in North Italy.

About 12 % of the number of mortgages corresponding with about 7 % of the total debt originated in another way we have not mentioned amongst the above causes. These are chiefly judicial mortgages and their number is appreciably decreasing. The class is still comparatively important in Insular and Southern Italy.

In regard to the loans, it is to be observed that little less than a seventh of them pay a low interest not exceeding 3 ½ %. This is principally a result of the action of the land credit institutes, which have lent at low rates, 331,000,000 francs out of 417,000,000 frs. Central and Northern Italy have essentially benefited by this notable advantage.

Five sevenths of the amount of the loans, or 2,382,000,000 francs, paid interest between 3 ½ % and 5 %. Here also the land credit and other credit institutes have been of very effectual assistance, the former lending 656,000,000 frs. and the latter 703,000,000 frs.; which are shown in the report as lent by credit institutes and incorporated bodies. Northern and Central Italy have derived the chief benefits from this also very advantageous situation.

The highest rates of interest, above 5 %, are paid on little more than one seventh of the whole amount of the loans, that is on 526,000,000 frs., while interest above 8% is paid on hardly one hundredth part of the total amount of the loans. In this case, however, the situation is most serious in South Italy and the islands.

There is a great difference in the various districts both in regard to the amounts lent and in regard to the interest; however, the general tendency in the different regions is that indicated above for the great divisions of the Kingdom.

In the southern mainland and the islands we find here and there a larger number of loans in certain districts of Abruzzi, at Naples, in the Terra di Lavoro, in the provinces of Bari, Foggia, Reggio Calabria etc., where the interest paid is not too heavy, than we find in other places, as at Catania, Cosenza, etc. where the action of the land credit institutes and the banks is more important. And, on the other hand, where this action is less intense, and enterprise is lacking, the condition of the debtors is comparatively worse, as for example, in the districts of Basilicata, Caltanissetta, Lanusei, Nuoro, Oristano, etc.

In North and Central Italy there are, however, here and there, districts where the situation of the debtors is comparatively less advantageous; however, in general, the conditions are tolerable enough. In some districts, however, the amount of the loans far exceeds the already high average of the division, so that the mortgage debt is almost entirely due to loans and

the rate of interest is very low. Thus, for example, in Lombardy the amount of the loans was 91 % of the registered mortgage debt and this high proportion is even exceeded in some districts, at Bergamo, Brescia, Cremona, Lecco, Milan and Salò ; at Breno it reaches the maximum, 98.21 %. The same general remarks may be made with regard to the districts of Varallo in Piedmont, Chioggia, Udine, and Venice, in Venetia. As regards the rate of interest, often it is not higher than 5 %, and low rates up to 3 ½ % are frequent ; as is especially observable, for example, in Piedmont, in the districts of Turin, and Varallo ; in Liguria, in those of Genoa, Oneglia and Savona ; in Venetia at Bassano, Padua and Venice ; in Lombardy at Breno (where 97 % of the total mortgages pay interest up to 5 %) and above all at Milan, where 99 % pay similar rates, this being the highest percentage paying these rates ; in Tuscany, at Florence, Grosseto, Montepulciano, Pescia, Portoferraio and Volterra ; in Emilia at Bologna and in Umbria at Orvieto.

§ 5. The loans and the term for which they are granted.

Most of the loans in Italy are long term loans, not perhaps expressly called so, but becoming so owing to their renewal by agreement and through transfers.

These long terms are largely the effect of the operations of land credit institutes, which have consented to repayments continued over a long period of years.

There is observable a reduction of the interest on loans repayable in shorter periods.

The shorter terms are more frequent in North and Central Italy.

But the distribution of the rate of interest does not present very important variations to the various terms for which the loans are granted.

§ 6. Loans of the land credit institutes.

At the end of 1910 the loans granted by the Land Credit Institutes amounted to 987,800,000 francs, or about 30 % of the total amount of the loans and about 23 % of the total amount of the mortgages registered in the Kingdom.

This shows the very great importance of the land credit institutes for the national economy and, when we consider the advantages they confer on the money market, through the abundant supply of available cash, the low rate of interest and the possibility of later conversion at lower rates, when circumstances allow of it, we see at once how powerfully they may assist in the development of agriculture, house building and all undertakings offering considerable real security.

Thus, the paternal care of the law in organising this form of credit is made manifest: it was a difficult task and sometimes imperfectly performed, owing to the difficulties in the way of civil legislation and those due to want of capital and the abuses verified in the first decades of the national unity due to insufficient vigilance on the part of the State.

In later years there have been effectual indications of its renewal; the liquidation of the land credit institutes of issue, causing the institutes to devote their whole activity to their special business; the liquidation of one of the land credit institutes of Latium, the financial situation of which was worst; the foundation of an Italian Institute for the whole Kingdom, in contrast with the institutes already existing, with limited local spheres of action; and the intensified vigilance of the State. At the same time the study of these important matters has been recommenced and weighty discussions have been held in regard to the possibility of converting mortgage debt into land debt.

The statistical return for the period ending with 1910 for the first time duly brought into relief the operations of these special institutes in Italy, the sphere of action of which is fairly extensive and made possible an examination into their extension, their advantages and some of their defects. It, in fact, shows the amount of the loans made, the rate of interest, the nature of the holdings assisted, and the distribution of the loans according to their amount: that is loans not exceeding 1,000 francs; loans between 1,000 frs. and 10,000 frs.; between 10,000 frs. and 50,000 frs.; and those exceeding 50,000 francs, considering always their territorial distribution. Since generally the largest possible of land credit is applied for, and it is granted, generally, up to half the value of the holding, it may be admitted that the above distribution of the loans in four groups corresponds with the assistance given respectively to very small, average and large holdings.

We arrive then at the following results:

TABLE V. — *Distribution of Land Credit in the Kingdom on December 31st., 1910.*

	on Land		on Buildings		on both Land and Buildings		Total	
	Number of Credits	Amount	Number of Credits	Amount	Number of Credits	Amount	Number of Credits	Amount
North Italy . . .	1,429	38,150,182	8,380	181,677,660	4,019	189,736,943	13,828	409,564,785
Central » . . .	2.131	55,390,513	2,060	96,128,548	4,269	182,479,575	8,460	333,998,636
South » . . .	1,641	62,144,768	1,590	77,128,970	1,179	54,101,825	4,410	193,375,563
Insular » . . .	831	26,768,076	442	7,470,134	727	16,683,580	2,000	50,921,790
ITALY . . .	**6,032**	**182,453,539**	**12,472**	**362,405,312**	**10,194**	**443,001,923**	**28,698**	**987,860,774**

The average amount of the land credits granted was therefore: in the Kingdom, 34,422 frs.; in North Italy, 29,619 frs.; in Central Italy, 39,479 frs.; in South Italy, 43,849 frs. and in the islands 25,460 frs. The average amount is most considerably exceeded in Lombardy, Umbria, Campania, Apulia and Calabria, and the maximum is reached in Latium, and in Basilicata, were great assistance is given to the large landed estates, but there more than anywhere else, we find, among the large credits to the patrician families, loans for purposes of consumption.

In respect to the nature of the holdings benefiting by land credit, it is to be observed that they are chiefly rural holdings in Marche, Apulia, Basilicata, Calabria, Sicily and Sardinia. The assistance given to landed property and to the agricultural transformation of these regions, as, for example, in Apulia, cannot be denied. On the other hand, in Piedmont, Liguria, Lombardy, Latium and Campania, where land credit has greatly assisted the development of the urban centres, especially at Naples and Rome, it is chiefly buildings that benefit.

In the other regions again, credits at once on both land and buildings predominate.

Finally, it is to be noted that in some districts (only, however, in North and Central Italy) the amount of the land credit operations exceeds 50 % of the mortgage loans of the districts and constitutes the largest proportion. In Tuscany, at Siena, Grosseto, and Montepulciano they even exceed 60 %, which shows the facility of finding cheap credit in those parts.

In regard to the rate of interest, it is to be observed that little more than one third of the capital lent in land credit operations is invested at very low rates not exceeding 3 ½ %; while the rest is lent at about 4 %. The preface to the statistical report mentions in this connection that "*seldom is the rate of interest more than* 4 ½ %, *and on reading the credit cards of these institutes we find a general lowering of the rates of interest since the laws have authorised their conversion at a lower rate.*" The former debtors of these institutes have, therefore, generally eagerly profited by the improved conditions of the money market.

The principal group of land credit operations is that in which the amounts exceed 50,000 francs. These amounted to 709,000,000 frs. or a little less than three fourths of the total amount of the land credit. The average amount of these loans is 156,838 francs.

The operations between 10,000 frs. and 50,000 frs. amounted to 226,000,000 frs., or a little less than a fourth of the whole amount of the land credit, with an average of 28,487 francs per loan.

The small remainder is distributed as follows: 49,000,000 frs. in operations for amounts between 1,000 frs. and 10,000 frs. with an average of 4,976 frs. per loan, and 2,000,000 frs. in operations for less than 1,000 frs. with an average of 435 francs. In these latter groups, that is operations for small amounts, there are, however, included the balances remaining in the other cases, and so the real operations in favour of small and very small holdings are really insignificant in number and amount.

This, in our opinion, is very important It shows that the land credit institutions are too aristocratic in tendency. The advantages they offer do not penetrate the lower strata of landed property, which, however, in our country form the largest portion, and still remain a prey to the usurers, although the law intended to bring them relief, by means of an improved organisation of land credit.

A final consideration will serve to show the extension of land credit in Italy.

While it is not possible to make an accurate comparison between 1903 and 1910 in this connection, for want of special statistics in relation to these Institutes at the earlier date, it is apparent from the preface to the return for 1910, that, as results from studies inspiring confidence, we may consider that, in the interval, land credit has increased in amount from 16 % to 23 % of the total debt on mortgage in the Kingdom.

This would prove the possibility of the gradual and spontaneous conversion of the mortgage debt into land debt, which could take place without the need of special legislation.

Now if the existence of this natural substitution is thus proved, it is, however, also true that the movement is too slow, hardly amounting to 1 % per annum, while personal estate suffers still more and the increasing acuteness of contemporary economic problems demands the speedy increase of agricultural production, housebuilding, works of public utility and a large supply of labour. Land credit may be an excellent investment for a large number of undertakings with slow returns and small incomes. It, therefore, might become an instrument of social and economic policy if applied with prudence and under careful supervision. It deserves, therefore, further attention from the legislators, who would act usefully in facilitating its development, guided by the natural tendency to extend it has given proof of, and enlarging its horizon by making it more democratic.

When we see that in some districts this land credit, may be through the wise action of men, has made a place for itself in business, absorbing the majority of the mortgage loans at very high percentages, when we find it in some urban centres financing in large part the transformation of buildings, in certain regions revivifying the transformation of agriculture, and then, that many other centres and regions, also of importance, languish for want of such credit, while masses of capital are lent at usurious interest by private persons, when we see entire and large classes of holdings are almost neglected, because their importance is slight, while they also have need of cheap credit to be repaid in instalments over long periods, there is reason to believe that a more rapid increase of land credit is not checked by substantial obstacles of insurmountable nature, but rather by insufficient organization, for which a remedy could be found.

§ 7. Real estate mortgaged.

The last results relate to comparison of the debt in relation to the population of the communes where the mortgages are registered, their juridical nature and the class of holdings burdened, that is, whether they are rural estate (intended for farms and entered in the rural cadastre) or urban estate (for dwellings or workshops and registered in the urban cadastre) or both together as the civil code of the country allows mortgages to be passed on both classes of property at the same time.

In this connection, we may mention that the registrations are most numerous in the very small rural communes, with populations not exceeding five thousand inhabitants and there the annual dues and life annuities are most numerous. The amount of the debt on mortgage in these communes was 963,000,000 frs.

The largest amount of mortgages burdens estate in the large urban centres, with more than 100,000 inhabitants. In these centres, 1,054,000,000 frs. is registered or a fourth part of the mortgage indebtedness of the nation, and buildings are the heaviest burdened, as is seen from the following table :

TABLE VI. — *Interest Bearning Mortgage Debt on December 31st., 1910.*

In the Large Towns (with more than 100,000 Inhabitants)	Interest Bearing Mortgage Debt on December 31st., 1910.							
	On Land		On Buildings		On Both Land and Buildings		Total	
	Number of Credits	Amount	Number of Credits	Amount	Number of Credits	Amount	Number of Credits	Amount
Bari	957	3,358,802	1,701	6,379,520	316	2,111,011	2,974	11,849,333
Bologna	76	2,260,805	1,005	13,980,487	640	11,206,585	1,721	27,447,877
Catania	973	3,708,844	2,090	10,566,766	884	6,119,209	3,947	20,394,819
Florence	138	1,110,509	2,912	39,829,452	535	10,198,052	3,585	51,138,013
Genoa	225	8,022,607	2,239	55,573,373	164	9,357,522	2,628	72,953,502
Leghorn	51	326,653	921	7,557,223	240	4,050,565	1,212	11,934,441
Messina	870	2,444,116	1,250	4,523,655	1,137	5,276,875	3,257	12,244,646
Milan	276	10,955,518	4,517	205,418,062	1,580	86,320,303	6,373	302,693,883
Naples	407	5,617,692	7,304	130,594,903	925	17,983,941	8,636	154,196,536
Palermo	2,308	12,578,163	4,308	26,501,788	1,277	10,692,068	7,893	49,772,019
Rome	791	39,556,773	3,404	180,257,813	319	22,739,906	4,514	242,554,492
Turin	187	2,572,383	1,606	44,454,769	1,316	29,539,095	3,109	76,566,246
Venice	2	16,185	914	17,682,082	95	2,690,985	1,011	20,389,252
Total	**7,261**	**92,529,049**	**34,171**	**743,319,893**	**9,428**	**218,286,117**	**50,860**	**1,054,135,059**

Next in importance as regards their amount come the mortgages in communes with between 5,000 and 20,000 inhabitants (924,000,000 frs.), then those on groups of holdings in the territory of more than one commune (695,000,000 francs).

Last, as regards their amount, come the mortgages in communes with a population of from 20,000 to 100,000 inhabitants (615,000,000 francs).

As regards the character of the mortgages, most of them are conventional, in number 657,875 for an amount of 3,888,000,000 francs, which corresponds with the greatest frequency of the loans. Next come, but at a great distance, judicial mortgages, in number 111,856 and, in amount, 241,000,000 frs., and, finally, legal mortgages, in number 38,939 and in amount 212,000,000 francs.

Considering the nature of the estate mortgaged, we find the largest amount burdening groups of land and buildings together. This is due either to the requirements of the creditors who want important security and also to the fact that often buildings have dependent land attached registered in the rural cadastre or, on the other hand, the rural holdings include dwelling houses. Sometimes, also, perhaps, the necessity for the debtors to ask the maximum amount of credit possible has induced them to offer as security groups of property of different classes, and the judicial mortgages which also may be passed on all the debtor's property may contribute to this state of things.

Next come, in relation to their amount, the mortgages on buildings, mostly in the large urban centres.

Finally, from the point of view of amount, although they are more numerous, come the mortgages on landed estate.

However, the tendencies are not everywhere the same. In the islands, the burdens on land are the most important, and in the South they are also high. If we consider the various regions, the indebtedness on land is highest in Sicily, Basilicata, Apulia and Marche ; the indebtedness of buildings is most considerable, on the other hand, in Campania, Latium and Liguria.

In the various districts there is greater diversity, except that in those of Apulia, Calabria, Campania, the Abruzzi and Emilia, the distribution of the burdens in regard to the various kinds of property is remarkably uniform.

After this rapid summary of the contents of this important statistical return, we may be permitted to hope that the Italian Department of Finance will continue the course it has entered upon. Thanks to the two enquiries in regard to the mortgage indebtedness for the period 1874 to 1910, light has been shed on the conditions of landed property and credit in this first and difficult period of the life of the united nation. But five more years, rich in events, have now passed and years of greater prosperity are looming on the horizon : it will not be one of the Department's least merits to have aided continuously in the collection of facts and observations serving to make clear the steps in the economic progress of the nation.

Part IV: Miscellaneous

AUSTRIA.

FARM READJUSTMENT IN LOWER AUSTRIA AND MORAVIA FROM THE BEGINNING OF THE WORK (1890) TO THE END OF 1913.

In the number of the Bulletin of Economic and Social Intelligence for March last we published an article on "Land Operations in Austria according to State and Provincial Law". The second section of that article gives a general summary of the principles inspiring the legislation on the operations of farm land readjustment and shows the practical method in accordance with which these operations are initiated and brought to their conclusion; the tables summarising the land operations carried out in Austria up to the end of 1913 at the end of the above article show the operations completed in each province and contain information in regard to the farm readjustment, as to the number of operations, the area and the number of persons affected.

As we know, farm land may be readjusted with comparative facility in the plains, that is to say in those regions, that, on account of the conformation of the soil and the uniform character of the farms, afford no ground for dispute; the provisions of the law themselves are there as a rule more easily applied.

These conditions are certainly presented by Lower Austria and Moravia and in these two countries the farm land readjustment has proceeded with great rapidity and given excellent results.

We have now been enabled by means of unpublished official information received from the Agricultural Department of Vienna to throw additional light on certain sides of the problem and thus accurately to calculate the percentage of the decrease of the subdivision of parcels, the number of separate holdings before and after readjustment, the increase in the value of the holdings in these two provinces and to obtain an average for these and

other values per operation, per person affected and per hectare subject to readjustment.

The work of farm readjustment in Lower Austria and Moravia was commenced in 1890. In the 23 years between that date and the end of 1913, in the two provinces 105 works of farm readjustment were completed, 52 in Lower Austria and 53 in Moravia.

Lower Austria.

Altogether the readjustment affected an area of 54,339 ha. and 5,216 individuals.

The number of the parcels before the readjustment was .	49,958
and after the readjustment	13,890
Showing a decrease in the number, of	36,068

or a decrease of 72 %.

It is a matter of great importance to be able to ascertain the increase in the value of the holdings after the readjustment; and we find that in the case of the above holdings it was .	23,872,131 crs.
From which the costs must be subtracted, on an average, 6 % of the increase	1,432,328 »
So that the net increase in value was	22,439,803 crs.

On an average each work of readjustment affected an area of 1,044 ha. and 100 individuals, and caused a reduction of the number of parcels from 960 to 267, or a reduction of the number of separate holdings by 693 or 72 %; and an increase in the value of 459,079 crs. against an expenditure of 27,545 crs.; and so a net increase of 431,534 crs. On an average for each individual owner we may reckon an area of 10.44 ha.

The increase in value per owner was	4,590 crs.
Less expenditure	275 »
giving a net increase of	4,315 crs.
For each ha. of the area readjusted we may calculate an increase in value of the amount of	440 crs
Less expenditure	6 »
giving a net increase of value of	414 crs.

corresponding to an annual net yield of 21 crs.

The expenditure of 26 crs. once for all incurred is therefore covered by the increased annual yield of 21 crs. in the second year.

In order that the meaning of these averages may be better understood, we summarise the figures in the following table.

Average Figures.

	Area Re-adjusted — ha.	Number of Indi-viduals Affected	Number of Separate Holdings		Percentage of Decrease in the Sub-division	Increase in Value — crs.
			Before	After		
Per Work of Readjustment	1,044	100	960	267	72	459,079
				Expenditure		27,545
				Net Gain		431,534
Per Individual Owner .	1,044	1	9.6	2.7	72	4,590
				Expenditure		275
				Net Gain		4,315
Per Hectare						440
				Expenditure		26
				Net Gain		414

or Annual Yield from Increased Value $414 \times 5\ \% = 21$ crs.
against Expenditure once for all of . . . . . = 26 crs.

Moravia.

Altogether the 53 readjustment operations affected an area of 22,602 ha. and 5,502 individuals

The number of the parcels before readjustment was . . .	62,126
and after the readjustment	13,109
Showing a decrease in the number, of	49,017

or a decrease of 72 %

The increase in the value of the holdings after readjustment was altogether	9,444,850 crs.
From which the costs must be subtracted, on an average, 9 % of this increase	850,096 »
So that the net increase in value was	8,594,814 crs.

On an average each work of readjustment affected an area of 426 ha. and 104 individuals, and caused a reduction of the number of parcels from 1,172 to 247, or a reduction of the number of separate holdings by 925 or 79 % ; and an increase in value of 178,205 crs. against an expenditure of 16,038 crs. ; and so a net increase of 162,167 crs.

On an average for each individual owner we may reckon an area of 4.10 ha.

The increase in value per owner was	1,717 crs.
Less expenditure	155
giving a net increase of	1,562 crs.

For each ha. of area readjusted we may calculate an increase of value to the amount of 418 crs.

Less expenditure	38 »
Giving a net increase of value of	380 crs.

corresponding with an annual net yield of 19 crs.

The expenditure of 38 crs. made once for all is therefore covered by the increased yield of 19 crs. after the second year.

To make the meaning of the averages also for this province clearer, we summarise the figures in the following table, corresponding with that given for Lower Austria.

Average Figures.

	Area Re-adjusted — ha.	Number of Indi-viduals Affected	Number of Separate Holdings		Percentage of Decrease in the Sub-division	Increase in Value — Crs.
			Before	After		
Per Operation	426	104	1,172	247	79	178,205
9 % Expenditure						16,038
Net Gain						162,167
Per Individual	4.10	1	11.3	2.4	79	1,717
9 % Expenditure						155
Net Gain						1,562
Per Hectare						418
9 % Expenditure						38
Net Gain						380
Annual Increase of Yield 380 × 5 %						19
The Expenditure once for all						38
Therefore covered by the Increased Yield in the second Year.						

Summarising the net gain in the two provinces obtained by the farm readjustment operations and calculating the annual interest obtained we get.

Net Gain: Lower Austria	Crs.	22,439,503
Moravia	»	8,594,814
Total	Crs.	31,034,617
Net Annual Gain	»	1,349,330

Comparing these figures, we see at once that in Moravia the area of the individual districts readjusted is far inferior and does not amount to even half that we find in Lower Austria. And again the area owned by an individual proprietor in Moravia does not amount to half that of one in Lower Austria, owing especially to the greater number of owners of very small holdings and houses in Moravia. On the other hand, in Moravia the subdivision is almost twice as great as in Lower Austria.

The greater expenditure in the case of Moravia as compared with Lower Austria is to be attributed to the small holdings, the greater subdi-

vision of the land and the heavier expenditure on the roads which in Moravia have to serve for the transport of beetroot from the farms.

The 105 works of farm readjustment carried out in 23 years in the two provinces gave altogether a net gain of 31,034,617 crs. ; the net annual gain was therefore 1,349,330 crs. This sum is by no means in excess of the real gain; it was calculated in accordance with careful returns made separately and freely in each province.

This evident success deserves the greater attention, as the net gain from the readjustment is more than ten times the expenditure that was required and the owners receive the benefit of it after a very short time ; in this way it is clear that readjustment contributes to increase the prosperity of the rural population of the plains. Besides these material advantages, farm readjustment provides a means for meeting the well known deficiency of labourers in the plains, as the new division and the fact that the farms are less subdivided reduces the demand for labourers ; this result is further facilitated by reason of the new arrangement of the holdings permitting of a more extensive utilisation of agricultural machinery in the place of human labourers.

FRANCE.

AGRICULTURAL EFFORTS IN FRANCE DURING SIX MONTHS OF WAR.

(August, 1914 — January, 1915).

Under the title : *L'effort agricole de la France pendant six mois de guerre (août 1914-janvier 1915)*, the Department of Agriculture gives a general report (Paris, Imprimerie Nationale, 1915) of its efforts since the beginning of the present war aud we think a resumé of its statements will be interesting to our readers.

§ 1. Agricultural conditions at the beginning of the war. Agricultural labour and solidarity. Results obtained.

At the beginning of July, during the period of diplomatic tension before the breaking out of hostilities the Minister of Agriculture took the agricultural condition of the country into serious consideration. All over France the grain harvest was then being gathered. In the north and east a large quantity of oats were not yet reaped and in many places the wheat was still in stooks in the fields.

The sudden decrease in the number of labourers in consequence of the general mobilisation, made the completion of the harvest difficult. But immediate threshing of the wheat and oats was necessary as grain was wanted for the supply of the army.

As far as possible to obviate the difficulties caused by the want of labourers, the Minister of Agriculture, on the first of August, began writing to all the prefects instructing them to arrange with the heads of the agricultural services to employ all available hands for the best interest of the country, not only for the hay and grain harvests, for threshing, storring and preserving grain, straw and cattle foods, but also to secure seed for the next sowing.

That more weight still might be added to these directions, a pressing appeal was addressed to the women of France by the Prime Minister.

In the mean time all the applications of industrial workmen thrown out of employment were received at the Department of Agriculture. There were more than 3,000 who thus applied individually, after the outbreak of hostilities, and of these 2,600 offered themselves as reapers. More than 12,000 applications for employment from syndicates, agricultural societies, and private companies came from Alsace-Lorraine, Italy and Spain to the Minister of Agriculture, transmitted through the legations of Belgium and Roumania. All were replied to by an agricultural labour service immediately organised at the Minister's Office. These applicants, few at the beginning of the month, were much more numerous before its close.

Through the efforts of the larger agricultural societies and of the Belgian Legation etc. to whom the applications were immediately transmitted, a considerable number of the applicants for agricultural labour were soon employed, especially in the extensively cultivated departments such as Seine, Seine-et-Oise, Aisne, Eure, Eure-et-Loir, Seine Inférieure, and then in Yonne, Côte-d'Or, Indre and Loir-et-Cher.

In Seine-et-Oise and in Loir-et-Cher more than 700 Belgians were provided with work. In other districts men from the adjoining countries were employed. Thus several hundreds of labourers of French origin settled near Geneva were employed in 35 communes of Haute-Savoie.

After this first effort of solidarity, new needs arose which had not been contemplated at the breaking out of the war, or which the nature of the agricultural work did not then reveal. Numerous communes, agricultural societies and private persons, especially at the time of threshing, applied to the Minister for agricultural machinery of all descriptions. The ministerial services put themselves into communication, through the syndicates of manufacturers of such machinery in France, with more than sixty firms, and to these all the applications were forwarded, as they arrived at the Department. The greater number of these firms, through their local agents, were able to meet the demands of almost all the regions of the Kingdom. Of these the more highly cultivated, being best supplied with plant, made but few demands.

The good will of all the agricultural organisations, as well as that of the Administration, as regards the supply of labour and machinery, never failed in any respect. Promptness and unanimity reigned throughout.

At length the Departments of War and Marine gave over 20,000 navy conscripts to the Department of Agriculture, to be divided among those departments where the need of labour was greatest.

Thus, by methodical organisation of local resources in much subdivided districts, by the activity displayed by the women, children, and old men who had remained on the farms in the villages, and the assistance of those escaped from fortified places and those out of work in industrial towns who had come to the country in search of an easier life, in spite of some delays and inevitable losses incurred through the necessary haste, almost the entire harvest was gathered in. It was only in the extreme north and east that the invaders came while the oat crop was being cut or the wheat still

in stooks in the fields. We subjoin a report of the approximate value of the harvest in grain, oats, potatoes etc.

Wheat. — The crop seemed at first but mediocre, and a serious deficit was apprehended with a probable value of about 80,000,000 quintals. But after threshing, which was at once proceeded with, the result surpassed all hope, and the departmental services were able to report a total of 87,000,000 quintals (the ordinary consumption being 94,000,000 quintals).

But alas ! the partial or total invasion of ten departments in the north and east lost to France about 7,700,000 quintals, so that the total harvest was reduced to 79,300,000 quintals.

Oats. — The promise was encouraging, and the total return was expected to be 54,000,000 quintals at the least, the average for the last ten years having been 48,412,000 quintals. But, as with the wheat, the losses caused by the invasion amounted to 7,600,000 quintals and the total quantity saved was only 46,400,000 quintals.

Rye. — This crop amounted to 12,800,000 quintals (the average for the last ten years having been 13,297,000 quintals) but the losses in the invaded departments are estimated at 850,000 quintals, leaving an available total of 11,957,000 quintals.

Barley. — The crop surpassed the average of 9,630,000 quintals; the harvest produced 10,700,000 quintals, but the loss of 660,000 quintals in the departments occupied by the enemy reduced it to 10,035,000 quintals.

Potatoes. — Altogether the potato crop was good. Accounts show that it reached a total of 140,000,000 quintals (the average for the last ten years being 132,223,000 quintals). In the invaded departments the losses were valued at 7,200,000 quintals, leaving only a total of 132,800,000 quintals.

Wine. — Like the grain harvest, the vintage was effected with the help of local resources. In the Pyreneean and neighbouring regions, appeal for help was made to Spain, whence for several years gangs of workers have been accustomed to come.

It may be said that the vintage in Champagne was made almost under the fire of the combatants. The work of the vine-dressers of Champagne assisted by the local trade, and facilitated by the military authorities, secured the vintage notwithstanding all difficulties.

Taken altogether, except, however, in the invaded territory, the wine harvest in France in 1914 was as good as that of the preceding year as shown by the following figures :

Continental France .	1913	44,845,731	hectolitres
	1914	61,853,705	»
Algeria	1913	7,430,736	»
	1914	10,317,719	»

§ 2. Measures taken to provide against the insufficiency of the harvest.

The above figures show the importance of the measures taken to en sure the preservation and to facilitate the storing of cereals.

By a Decree dated July, 31st., the Government suppressed all customs duties on *grain* i. e. on wheat, spelt, and mixed wheat and rye.

The same day another Decree suppressed the duties on flour of wheat, spelt, and mixed wheat and rye, as well as on bread.

Unground oats and barley, beans and lentils were also exempted from duty by a Decree of August 2nd.

These measures were taken by the Minister of Agriculture after consultation with the Ministers of Commerce and Finance.

A Decree of August 3rd., due to the initiative of the Minister of Agriculture, extended the effects of the two Decrees of July 31st. to Algeria and the new regulations regarding barley, maize, beans and lentils were also made applicable there on August 4th.

On August 13th., a new Decree suppressed all duties on rough rice, broken, and whole rice, flour and semolina.

These regulations enabled the merchants to organise for the importation of these articles. From the day when the duties on grain were removed until December 27th., 1914, the foreign corn imported amounted to 8,397,593 quintals, and if we add to this the amount represented by the flour imported, which we may calculate (reckoning that corn gives 70 % flour) at 1,073,283 quintals, we get a total of 9,470,876 quintals.

In spite of so much imported, not only the Minister of Agriculture, but also those of Commerce, of the Interior and of War have continually received, since the beginning of hostilities, appeals from prefects and mayors for supplies of corn, flour, and salt, their own stocks being about to fail. But it is easy to understand that these local deficiencies arose almost exclusively from difficulty of transport, owing to the military authorities taking possession of the railways. The Minister of Agriculture, in agreement with the Minister of Commerce, took the necessary steps to approach the War Department.

§ 3. The question of meat.

Fresh meat. — The Minister of Agriculture even before the first application was received or any local victualling commission was at work, obtained from the War Minister a series of regulations for the safe-guarding in the future of the national livestock. At the same time it was necessary to facilitate the importation of live cattle and of meat.

By a decree of August 2nd., all customs duties on salted and frozen meat were suppressed. On the 12th. of the same month a Decree exempted from customs duty all horses, mules and asses, and on the 11th. September this exemption was extended to horned cattle.

Besides these facilitations of importation other measures prevented the requisition of

(1) All cows in calf or giving milk;

(2) All brood mares, in foal or already served or with foal at foot;

(3) Male breeding stock that had won prizes at agricultural shows or belonging to livestock improvement syndicates;

(4) Animals entered in stud books and those under age for entrance but the offspring of parents therein registered;

(5) Heifers;

(6) Plough Oxen.

At the same time the Department of Agriculture regularly furnished the military administration with notices of the available livestock in the various districts so as to allow of its being requisitioned in accordance with the real resources of the place.

On the other hand, the great learned societies sent to public bodies fervent appeals against the slaughter of young cattle. We must allow that the Minister of Agriculture, having to defend the singularly complex interests with which he is charged, could not agree to this appeal without mature consideration. Agriculture, in the numerous regions where the rearing of calves is almost impossible, would have been completely hindered in its normal progress. The supply of milk to the towns and the butter and cheese industries would have been affected in a way that would have injured the general interests of the public. The want of labourers increased by mobilisation would have been more severely felt if it were necessary to rear the calves on farms where there was no need for it. Finally this would lead to the preservation of stock, for which none of the habitual precautions had been taken. The particularly costly keep of young calves would have to be arranged in the case of many types of crossings without value, with no future benefit to the national breeding stock. It seemed that the measure asked for could not with advantage be applied except in limited districts and in these places the preservation of calves was general. The Minister besides had requested the directors of agricultural services and professors of agriculture to encourage farmers to rear all those calves possessing the requisite qualities, showing them the important advantages they would derive when the animals were grown. He also asked the prefects to endeavour to have these instructions published, with the reasons for them, in all departments where the preservation of calves is possible, and many prefects have done so. The desired result will much more probably be obtained by these local measures than by any general prohibition.

Frozen meat. — The plan for victualling the civil population in entrenched camps as well as the army, as was foreseen, necessitated the putting of all the cattle of the nation under contribution. In all the

departments Committees were appointed to buy, or if needful to requisition, the cattle which had to be collected immediately in enclosures, thence to be gradually distributed according to need.

Thus for the camp at Paris, a considerable herd had been collected and divided among a large number of enclosures round the city.

Besides the difficulty of establishing such depots, this plan has others of a serious nature.

For instance thousands of cattle cannot be enclosed in a limited space, for should panics arise among them, the frantic animals throw down the strongest barriers. Therefore these enclosures present great difficulties in regard to their arrangement. The flocks and herds must come on foot to the enclosures, and must be brought on foot to the troops whose needs they are to serve. Animals of improved breeds, and few others are now raised in France, are not adapted for long journeys on foot. And their crowding of the roads along which they must pass is an obstacle and often a peril for marching columns and the movement of convoys.

Another very serious difficulty exists in the danger of contagious diseases when so many animals are assembled together and also of diseases due to over crowding, the more to be feared as they cannot be avoided, in spite of all the efforts of the sanitary authorities.

From an economic point of view, it is plain that the requisition of a great number of animals must leave certain regions unprovided. When these levies are carried out in the north and west, they fall most heavily on dairy and young cattle, while in regions rich in butchers' beasts ready for sale no requisition is made.

Happily, circumstances allowed of some attenuation of the greatest difficulties. The full supply of the camp at Paris could be adjourned, and the proposed stock considerably reduced. Also the contribution demanded from the nation could be diminished by the importation of frozen meat from abroad.

The economic policy of France up to the present time had been formally opposed to the introduction of frozen meat and a double barrier in customs duties and sanitary restrictions almost insurmontable, had existed.

The Minister of Agriculture, by a Decree of August 2nd., 1914, suppressed the rules of a technical nature (obligation to cut up in quarters with adherence of the pluck to one of the fore quarters) which in fact prevented the entrance of such meat, and obtained from the Minister of Finance, by Decree of the same date, the suppression of the duty of 35 francs on every 100 kilograms, the minimum tariff on such imported meat.

Under this new regulation, importers are under no obligation except that of the sanitary inspection to which all meat, whether fresh or preserved, is subjected on entering the Republic.

The War Department had allowed some orders for frozen meat by way of trial, and early in September some thousands of tons arrived at Bordeaux and Marseilles.

But for fear that it could not be used quickly enough before danger of being spoiled, an offer was made to the victualling commission of Bordeaux for the civil population established there of as much of this meat at market price as it could induce the butchers of the town to buy. This offer was immediately accepted, and as some doubts existed as to the reception of the meat by the civil population, a trial was made at Bordeaux in connection with the butchers' syndicate.

This was conclusive. The butchers declared themselves ready to buy as much of this meat as they could get. The price had been fixed sufficiently below that of the home produced meat to ensure its sale. This frozen meat had all to bear indication of its origin and thus fetched a slightly lower price.

The War Department continued its trial of the frozen meat with the troops and the result very soon proved most satisfactory.

The frozen beef arrives in quarters packed in the holds of vessels provided with refrigerators, each quarter weighing from 70 to 80 kilograms. Each is closely wrapped in muslin, with packing cloth over it.

The meat is excellent and equal in quality throughout. The quarters, taken out of the cold storage compartments by sliding panels, are at once piled in waggons ranged along the quay. The straw at the bottom and sides of every waggon is sufficient protection to isolate it.

The waggons being thus packed, the time required for each to reach its destination is specified: three days at least in warm weather, and five at least when the temperature is not above 15°.

This success soon induced the Department not only to replenish the depots with this meat but also to send some to the front where the soldiers so highly appreciated it that it was decided that all ship-loads already arrived or about to arrive should be reserved exclusively for the army, and contracts were also made for a supply of 15,000 tons per month beginning from January 1st., 1915.

The advantages of frozen meat are easily seen. It may be transported from place to place without special precautions; packed in waggons or carts in easily handled quarters, well protected against external soiling; it is of best quality, not over fat and perfectly healthy. It has all the qualities of fresh meat when eaten at the proper time, that is cooled, and kept the necessary time : it is much more tender than meat still warm after slaughter. It is besides incomparably superior to that furnished by cattle tired and often ill, following troops; infinitely superior to the flesh of requisitioned cattle.

Taken altogether, the calculations of the agricultural administration lead to the belief that the quantity of frozen meat consumed in the first six months of 1915 may be estimated at 150,000 tons purchased partly by the War Department, partly by private persons. The meat will be principally beef, representing about 450,000 head of cattle, almost half of what is required weekly in ordinary times. We see that this imported meat will tend to the saving of the home cattle to an unexpected extent.

Let us add that this is a question of *frozen* meat, that is to say of meat subjected at first in the refrigerators to a temperature of from-10° to-15° so that the mass is thoroughly frozen throughout, and afterwards, until the moment of use, to a temperature of from-8° to-10°. If the temperature be maintained only at about zero, such refrigerated meat is of no value for the present purposes.

Statistics of Livestock on January 1st., 1915. Though it is very difficult to make an exact computation, the Minister of Agriculture has published the following approximate details of the situation:

(1) *Horned Cattle.* — Taken all together, excluding the invaded departments to which by a rough calculation we may apply a co-efficient of diminution corresponding with that of the others we find a total of of 13,297,000 head against 14,807,380 head in 1913, showing a diminution of 1,510,000 or 10.2 %.

These animals however, are not all consumed, for some (40,631 head) are still in the Paris entrenched camp, others in enclosures, and other places and may return to the country if circumstances permit.

The diminution affects the various classes of animals very differently.

The number of bulls has been reduced in the proportion of 12.21 %, that is to 249,750 from 284,490. The selected breeding stock has been saved.

The number of oxen has been reduced by 26.47 %, that is from 1,845,620 to 1,357,200, which is not surprising, for it is natural as well as desirable that the oxen should supply beef.

The cows have diminished in number by 9.3 %, that is from 7,807,560 to 7,081,400. We cannot know if dairy cows were recklessly slaughtered, for old cows fattened are included in the category, and also cows that have suffered accidents in calving and are therefore not suitable for breeding purposes, and others more or less deteriorated ; all these cows in ordinary times would be slaughtered for meat, and there is no reason against this at present.

The number of calves had diminished by 5.22 % that is from 4,869,710 to 4,615,500. This is a diminution of 254,210 head, which called forth energetic action on the part of the Government.

The preservation of cattle foods is necessary. For this purpose the Minister of Agriculture suppressed the duty on rice, oil-cake, etc. by a decree of August 13th.

The exportation of oil-cake and malt was forbidden by a decree of September 12th., as that of farinaceous cattle foods, hay, straw, and bran had been on July 31st. Furthermore, the Minister directed the agricultural services to point out to cultivators the advantage they might derive from these articles, and an active propaganda under the authorisation of the prefects was made in the various departments.

(2) *Sheep.* —The number of sheep is constantly diminishing, being reduced by 1,408,720; while there were 16,213,030 on December 31st., 1913, there are now no more than 14,804,310 remaining; that is to say there has been a decrease of 9.26 %.

(3) *Pigs.*—The number of 7,047,750 head of swine on December 31st., 1913 has been reduced to 6,233,735, showing an absolute decrease of 814,019 or 11.55 %.

§ 4. Utilisation of beet in sugar factories and distilleries.

The cultivation of beet for sugar factories and for distilleries is too intimately connected with beet cultivation in general, and consequently with the agricultural prosperity of the north of France to be overlooked by the Minister of Agriculture.

The crop seemed to be very promising and an exceptional return of about 900,000 tons was anticipated, but the greater part of the beet-growing district was invaded. In the meantime it was necessary to keep at work those factories not occupied by the enemy.

On the 15th. of September the Minister of Agriculture informed the Minister of War of the advantage there would be in keeping them working. Among the measures for this purpose it was considered essential that those technical employees indispensable for the work should be allowed a delay before joining the army, or that those who had already joined their regiments should be temporarily sent back. The Minister of War granted the delay with possibility of renewal in the case of privates of the territorial regiments and reserves of the same class not forming part of a fighting force.

These regulations were made known to the prefects, directors of agricultural associations, presidents of syndicates of sugar-makers and the agricultural distilling syndicate. Manufacturers have been thus enabled to address demands for delay or leave of absence directly to the Minister of Agriculture, which after examination are transmitted to the Minister of War.

As it appeared probable that difficulties would arise between the beet growers and sugar- makers, they were called together on December 17th. at the Department of Agriculture. After a discussion on the special conditions of the country those interested agreed that the price of beet should be dependent on the current price of sugar. In determining this price as far as possible, the commission, leaving a needful margin for variation, adopted the following decisions:

(1) A minimum price of 20 francs, or of 23 francs per ton for beet of 7 % density, with the usual increase to be allowed for every tenth over and above.

(2) The division in equal shares of the increase in the price of sugar above 35 francs or 38 francs.

The number of sugar factories at work rose to 68; and their total minimum produce was estimated at 325,797 tons.

The administration has also been careful of the safety of these sugar factories and has advised those interested of the best markets for the disposal of their goods.

§ 5. Cultivation of forests.

At the beginning of the war, instructions were sent to the Commissioners of Woods and Forests to retard the grant of contracts for the cutting of timber which were to be given in September and early in October in 1914 in connection with forests belonging to the State, to communes and to public institutions.

This measure was necessary partly because of the mobilisation of a great number of those employed in the forests and of dealers in wood, wood-cutters, carters etc. and partly because of the disturbance in trade and in the money market.

But, the war continuing, it was found impossible, without much inconvenience, to suspend everywhere and by a general order, all cutting of timber in the state forests.

As soon therefore as it was possible to re-organise the service, all the wood which seemed required for the necessities of the moment or the near future was offered for sale in those districts where it seemed that there would be a sufficiency of buyers, ready money und labour.

Thus in many places all the wood suitable for fuel has been or will be offered for sale, and the work in connection with the greater part of it is now going on.

But it was impossible to effect these sales under the usual conditions. It was necessary, according to circumstances, either to make them on the spot, because of the difficulty of communication and the small importance of the sale, or to centralise the business. With this view a Decree was passed on October 30th., 1914, authorising the sale in the chief town of any commune near the forests, of wood cut in 1914, and a Ministerial decision gave permission to sell all the wood cut in the same department in one of the chief places of an "arrondissement" and especially in the chief town of the department. It may be added that in those places where it seemed impossible to effect sales and where a supply of wood was required, nothing could be done but trust to chance or have recourse to the excise or to the employment of soldiers.

The sales effected have given satisfactory results to the State and to the communes that are proprietors. This success has been attained through the necessities of the War Department and because many private individuals were unable to sell their timber. Another cause may be found in the liberal provisions of the Decree of September 20th., with regard to the postponement of the date of payment for timber belonging to the State, to departments, to communes and to public institutions, sold before the war.

By the terms of this Decree, proposed by the Ministers of Agriculture and Finance, delay of payment was granted to the purchasers, to terminate three months after the cessation of hostilities, with the proviso that those who benefit by the delay should pay interest at 4 % from the time the debt

falls due till the date of payment. It was specified that notwithstanding this delay of payment, the security should remain unchanged without the need of any notification or of any act. But those purchasers, who, having suffered through events beyond their control, were incapacitated from payment, might apply for a delay with payment of interest. The Minister of Finance, in agreement with the Minister of Agriculture, will decide in regard to these requests.

These measures have been necessary because of the great disturbance caused by the war in the cultivation of forests and the timber trade; the sudden mobilisation of the woodcutters and of the carters employed for delivery of the wood, hindrances to transport by rail or boat, the mobilisation of a large number of merchants and cultivators of forests, the impossibility, owing to the moratorium, for the cultivators not mobilised of exacting payment from those cultivators or merchants mobilised or from any other debtor, and the greater impossibility of doing so in districts temporarily invaded or still occupied.

§ 6. Hydraulic and agricultural improvements.

At the beginning of the war, the Minister of Agriculture endeavoured to reduce as far as possible the cost of the services of hydraulic and agricultural improvements.

With the view of reserving for the Treasury the maximum amount of funds for the national defence, researches at the expense of the State have been generally suspended. No grants are made and the payment of sums previously allotted has been deferred.

There has been no departure from this rule unless in exceptional circumstances, for instance in the case of enterprises connected with the national defence or public safety, for the continuation of work the interruption of which would have rendered previous sacrifices useless, or in order to enable the recipient of the grant to pay workmen or tradesmen employed by him in such work, or when it was necessary to employ prisoners of war or men out of work.

In fact, from the month of October, the Minister of Agriculture was employing prisoners of war where men out of work were not available, in carrying out works of general or collective necessity in his department.

The French Government had in time of peace turned its attention to the regulation of the position of prisoners of war. On March 21st., 1893, the War Minister issued instructions on this point, which were modified on October 25th., 1914.

The utilisation of the labour of prisoners of war is regulated by a Decree of December 2nd., 1910 as to the laws and customs of land warfare which formed a rider to the International Convention signed at the Hague on October 18th., 1907. According to Art. 6 of this Decree, "The State may employ as workmen prisoners of war according to their rank and their

abilities, with the exception of officers ; the work must not be excessive, and must have no connection with the operations of war.

Prisoners may be authorised to work for public administrations or private individuals, or on their own account.

Work done for the State must be paid according to the existing tariffs for soldiers of the national army doing the same work, or according to a tariff in relation to the work done.

When the work is done for other public administrations or for private individuals the terms must be arranged with the military authorities.

The wages of the prisoners will contribute to ameliorate their condition, and the surplus will be paid to them at the time of their liberation, deduction having been made for the cost of maintenance. "

In order to decentralise, and to encourage the employment of prisoners of war, the War Minister authorised the generals in command of districts to decide as to requests for prisoners' labour, after consultation with the prefects of the departments in question.

M. Fernand David, Minister of Agriculture, who had proposed in the Chamber of Deputies the law of December 15th., 1911 with regard to land reclamation on the east coast of Corsica, believed that this vast undertaking was one in which prisoners of war might be with advantage employed. This work, to be carried out by the State, at a cost estimated at not less than 11,500,000 francs, is intended to improve the east coast of the island, now barren. It includes works for the supply of drinking water, drainage, land reclamation, and regulations of the mouths of rivers. The work, in full activity at the opening of hostilities, was suddenly interrupted by the mobilisation. But through the employment of prisoners, to the number of about 3,000, it may be resumed and carried on with all desirable expedition.

There are in Corsica other works in which prisoners of war may be employed.

The national domain of Casabianda, an old penitentiary long unused, was in 1894 placed under the direction of the chief engineer of the hydraulic service. Works of great importance for the regulation of the water supply have since been carried out, owing to which the domain, formerly a heavy burden to the State is now profitable, but the funds at the disposal of the Department of Agriculture have not as yet permitted the realisation of all the schemes for improvement without which the land cannot yield its full amount of profit. Prisoners of war, to the number of 1,000, are employed in supplementary works which will probably largely increase the value and the yield of the domain.

Similar works will be performed by prisoners of war in the national domain at Chiavari (Cosirca). It is proposed to erect boundary walls, to improve forest roads, to make reservoirs and canals for drainage purposes and lastly to renew the plantations of cork-trees.

The number of prisoners to be employed on these works would be about 200.

In the same department, with a view to agricultural improvement, and with the support of syndicates of the proprietors interested, yards are being got ready with the labour of about 200 prisoners of war, and farm roads constructed by them to facilitate access to the landed estates in the neighbourhood and consequently to increase largely the agricultural wealth of the district.

The Department of Agriculture is endeavouring to utilise the labour of prisoners of war in other departments.

In Puy-de-Dôme, in the Limagne in Auvergne, works of land reclamation are in progress under the direction of the Agricutural Improvements Service. The object is to drain marshy land about 6,000 hectares in extent thus increasing considerably its agricultural value. These works were to be carried out by various syndicates with the aid of grants from the Department of Agriculture. They were interrupted by the war, but, considering their great utility, the Minister of Agriculture went to make investigations on the spot in regard to the means of resuming them in spite of the difficulties under existing circumstances. He then decided, in accordance with the military authorities, that the work should be continued with the help of the labour of prisoners of war. One hundred and fifty prisoners have already been placed at the disposal of the syndicates and the work is progressing under the direction of the engineers of the Agricultural Improvements Service. New yards will probably be opened soon in which 300 prisoners may be employed.

In Bretagne, in consequence of the desire expressed by those departments which voted funds for the extension of the rural system of roads, yards have been arranged by 900 prisoners of war for the construction or repair of roads in fifteen communes of the Côtes-du-Nord and two communes of Ille-et-Vilaine. In twelve other communes of Côtes-du Nord and Morbihan new yards have been opened for similar objects, and in these about 1,050 prisoners will be employed.

In Ardèche 100 prisoners are employed in works of agricultural improvement in the commune of Labeaume.

We may also state that in Hérault, near Montpellier, on the domain of Mas-des-Abbés, a building for the use of the district meteorological station in connection with agriculture is in course of construction by the labour of some twenty prisoners of war. Among them are skilled builders successfully directing the work, which otherwise perhaps could not now have been accomplished owing to the mobilisation.

The efforts of the Minister of Agriculture will not be confined to the above mentioned works. The Hydraulic and Agricultural Improvement Services have been requested to search for any undertakings which can be carried out by the labour of prisoners of war. It is proposed to construct country roads in the central plateau of France, especially in the department of Creuse where funds have been granted for the purpose. These works, which like those of land reclamation consist chiefly in embankments, are among those which may be entrusted to prisoners of war. It is easy to foresee the advantages, especially to poor districts, which may accrue

from works which facilitate communication and increase the productiveness of the land.

It was hoped that prisoners of war might be at once employed in the realisation of a vast project long desired by proprietors of the Camargue, viz. the regulation of the outflow of the waters of the delta of the Rhone by improvements at the pool of Valcarès, but the solution of this question raises vary serious difficulties. The Administration however, does not lose sight of the question, and every effort will be made to solve it should circumstances permit.

Lastly, the Minister of Agriculture is studying the possibility of restoring rural buildings destroyed or damaged by the war.

§ 7. Preparation for future harvests.

Autumn Sowing. — At the beginning of the war the Minister of Agriculture turned his attention to the autumn sowing, so that France in 1915 might not suffer from a scarcity of corn.

It was necessary to obtain from the Minister of War a better arrangement of the requisitioning of horses, and leave of absence for the territorial troups who were sent home for 15 days, with the obligation of assisting in the work of sowing.

As for all other measures the two Ministerial Departments easily arrived at an understanding.

The Minister of Agriculture in a circular sent through the prefects to the directors of agricultural services, dated October 24th., announced the decision of the Minister of War and explained the conditions under which leave of absence for sowing might be obtained.

He insisted on the necessity of ensuring that the men sent home (proprietors, farmers, metayers, servants and farm labourers) should exert all their energies to prepare and sow the ground.

The Minister added that those who had so little land of their own that their work could be finished in a few days should employ the rest of their leave in assisting other cultivators, more especially working on the land of those who were mobilised and were unable to obtain leave of absence.

He requested the mayors to assist in the good organisation of the work, and wherever possible to arrange collective labour.

He called the attention of the mayors to their responsibility in giving certificates in regard to the circumstances of the cultivator in support of his request for leave of absence. The mayors were also charged to see that each man returned to his post at the expiration of his leave of absence.

Lastly, the Minister requested a report on the result of these measures.

In a Circular of October 17th., addressed to the prefects, the Minister gave technical instructions concerning sowing to the directors of agricultural departments. In another letter of October 28th., he called the at-

tention of the prefects to a decree of the Prefect of Côte-d'Or regulating the more urgent agricultural labours.

In spite of some mistakes in the arrangements for leave of absence, the sowing has been accomplished owing to the above regulations, under better conditions than could have been expected. The land sown with winter corn is from 80 to 95 % of the usual amount devoted to this crop.

The area not sown in 1914 may be sown in the following spring, and plans have been made for doing so, in agreement with the War Department.

Spring sowing. — Spring this year is of great interest and of special importance ; the country needs the whole produce of its soil, and the area to be sown is increased by the amount not utilised for the autumn sowing. This space must be devoted to spring corn and oats.

In general the Minister of Agriculture has endeavoured to supply the deficiency of labour by obtaining from the Minister of War leave of absence for men to do the spring sowing, and he is also seeking to provide for the cultivation of the districts devastated by the war.

It must be observed that in the east of France the farmers belonging to villages ruined and burnt have nearly all returned to their land, hoping to begin the spring work. But they have neither horses, implements, seed, manure, nor cattle food and very few are in a position to buy what they need without help from the authorities.

The Minister of Agriculture has succeeded in obtaining advances to farmers who are victims of the war to enable them to procure the above mentioned necessaries, so that in the interest of the nation the soil may not lie fallow, and officials have been sent to ascertain the real and immediate necessities of the population. Thus through the intervention of the Government it is hoped that none of the land devoted to agriculture will be neglected.

The Minister of Agriculture has also obtained from the War Minister leave of absence for territorials for sowing, pruning vines and other spring work. Details published in the *Journal Officiel* for February 3rd., 1915 and a Circular issued by the Minister of Agriculture to the prefects define the conditions under which such leave of absence may be granted from February 5th. to April 5th.

RUSSIA.

THE ECONOMIC RESULTS OF HOME COLONISATION IN SIBERIA.

§ 1. Importance of the subject.

For a general appreciation of the results obtained by home colonisation in Transuralian Russia, as undertaken by the Government in connection with the great land reform initiated in 1906, a general answer to the following principal questions might suffice :

1. Has this colonisation benefited the State?

2. Has it benefited the colonists themselves, and in what degree?

Even confining our examination to the strictly economic point of view, the first of the two questions is too complex, and the work of State colonisation too recently commenced for even an approximate answer. Very detailed statistics, it is true, show us that between 1906 and 1911, for example, the Government spent a total amount of 115,000,000 roubles (305,000,000 francs) on the home colonisation of the Transuralian provinces. We know also that this enormous expenditure has allowed of the establishment in Siberia of 417,000 families of colonists. Mathematically, we may therefore conclude that the establishment of each family cost the Government on an average 157 roubles (417.60 francs). But if, on the one hand, it would be evidently absurd to consider these 157 roubles per family as so much lost for the State, on the other hand, it is no less quite impossible, at least under existing circumstances, even approximately to estimate what part of this " loss " we may consider as compensated by the general increase in value of the countries colonised and the increased revenue the State derives from them.

In other words, any conclusion in regard to the results obtained by the colonisation of Siberia, from the point of view of the economic interests *of the State* could at present only be premature and very uncertain.

The second question, regarding the greater or less economic advantage derived *by the colonists themselves* from their emigration to these provinces, is fortunately easier to consider, at least so far as Siberia proper is concerned, the largest and most important of all the regions making part of the immense Transuralian area now being colonised. In fact, we have at our disposal the results of an enquiry, carried out by order of the Russian Govern-

ment, in the course of the years 1911 and 1912, into the material conditions of the life of the colonists (1).

§ 2. Government enquiry into the economic conditions of the life of the colonists in Siberia.

The enquiry in question was not extended, to all the families of colonists established in Siberia — that would have been equally impracticable and useless (2) — but to a number of entire colonies, more than sufficient for the purpose, recognised as forming so many "typical cases", both in respect to their geographical situation and their degree of development in an agricultural or educational sense.

First of all, the whole country was divided into four regions differing in regard to their climate, and the nature of the their soil and vegetation, that is to say:

I. The fertile wooded plain of West Siberia,
II. The immense Southern Steppe, almost entirely without forests,
III. The richly wooded Eastern districts, — and lastly,
IV. The uncultivated "taïga" of the Northern districts (3).

In each of these regions, a certain number of entire colonies were studied, carefully selected, as typical examples of the most various conditions: some long established, others recently founded, some populous, occupying a large area, others with few members and poor, some in the immediate neighbourhood of the lines of communication, others lost in vast deserts, some already arrived at a considerable degree of agricultural, commercial, industrial and educational development, others, on the contrary, but little developed in these respects. In one word, an effort was made not to overlook any of the extremely various kinds of centres of colonisation in the country.

In each of these specimen colonies, a detailed study was made of all the families composing it at three successive periods of their existence.

In the first place attempt was made to ascertain as accurately as possible the economic circumstances of each family in its place of origin, before it emigrated. In the second place, calculation was made in the case of each family of the result of the various operations necessitated by its decision to establish itself in Siberia: the sale of its personal and real estate in Europe, the despatch of "chodoks" (4), the journey to Asia, carriage etc.;

(1) Сборникъ статистическихъ свѣдѣній объ экономическомъ положеніи переселенцевъ въ Сибири. (*Collection of Statistics relating to the Economic Situation of the Colonists in Siberia*). IV Volumes Published, Petrograd, 1912.

(2) Between 1896 and 1913, the total number of the emigrants from the European Provinces of Russia to Siberia, was, in round numbers, 4,800,000.

(3) In this article and in the tables included in it, we shall indicate these four regions by the four numbers, in Roman figures, given above.

(4) In regard to the "chodoks", and their rôle, see the article "Home Colonisation in Siberia in 1913", in the number of this Bulletin for March, 1915, (pp. 111 et seqq.).

so as to arrive at as accurate as possible an estimate of the possessions of each family (in money, implements, livestock etc.) at the date of its establishment in the colony selected. Thirdly and lastly, the situation resulting from the emigration, the economic circumstances of everyone in the new home at the moment of the enquiry, the changes for better or worse made in them by the length of sojourn in Siberia and the consequent improvement of the new farms.

In the present sketch, based principally on a very remarkable study by M. W. Kuznetzow, published in the number of the "Messager Européen" (1) for November last, we shall proceed in accordance with a method similar to that indicated above.

In order better to show the importance and the value of the enquiry carried out by order of the Russian Government, we shall, however, again note that it extended altogether to 447 colonies, including in all 31,984 families, distributed as follows among the four regions mentioned above.

I. Western Plain	78	colonies with		9,036	families
II. Southern Steppe	72	»	»	9,329	»
III. Eastern Forest Steppe	133	»	»	8,197	»
IV. Nothern "Taïga" Districts. . .	164	»	»	5,422	»
Total . . .	447	colonies with		31,984	» (2)

§ 3. Economic circumstances of the colonists before emigration.

In the case of 21,800 families of settlers in Siberia, it has been possible to obtain accurate and reliable statistics of their economic circumstances in their native communes directly from the localities in which they were first established. Of these families, 17,001, or 78 %, before their emigration were in possession of farms. The remaining 4,799 (22 %), in Russia in Europe, had belonged to the class of peasants without land.

The total area of the land held by these 17,001 families of former land holders was 99,127 deciatines (3), 89,787 deciatines being "nadiel" land (4) and the rest, 9,430 deciatines, land purchased after emancipation. This will give an area of 4.5 deciatines per family.

(1) В. Кузнецовъ (W. Kuznetzow): Экономическое положеніе переселенцевъ въ Сибири (*The Economic Situation of the Colonists in Siberia*) in the number of Вѣстникъ Европы for last November (pp. 317 et seqq.).

(2) We shall see hereafter (§ 7) that the total number of inhabitants of these colonies was at the date of the enquiry 178,504.

(3) The Russian deciatine is equal to 1.09250 ha.

(4) For the meaning of this expression, see the article, "General Outline of the New Russian Land Reforms", in the numbers of this Bulletin for November, 1913 and January, 1914.

Let us note that this is the average for the whole area of the land formerly held by the colonists. The area suitable for farming was only 72,390 deciatines of arable and 1,330 deciatines of grazing ground, or altogether 73,720 deciatines capable of cultivation. On an average, then, we have per family, 3.9 deciatines of farm land, 3.3 arable and 0.6 grazing ground.

And the part of this area actually farmed was even less; owing to the methods of farming in use among the Russian peasants, it was only 53,288 deciatines, or 73.6 % of the total area of the holdings, giving an average of altogether 2.4 deciatines of land farmed per family.

Considering the method of farming of the Russian peasant and the average yield of farms in Russia (1), these 2.4 deciatines actually farmed could only represent a gross yield of about 100 " poudes " (2) (1,650 kg.) of wheat at most, however the farmer exerted himself.

Now it is quite evident that so small a yield is quite insufficient. However modest the requirements of the Russian peasant are, on 100 poudes of wheat a year he cannot feed his family, keep his livestock, sow his fields, pay the taxes and satisfy all the other needs of his daily life.

A calculation on quite other lines confirms the above conclusions in every detail. Taking account of the value of the land and the stock sold on account of the projected emigration, of the goods left unsold in the native place and those the colonists take away with them, the Government enquiry was able to ascertain that the average amount of property of all kinds (land, houses, livestock, implements, money etc.) possessed by the 21,800 families of colonists examined, before their emigration, did not exceed 397 roubles (1,056 frs.) per family. Evidently a family could not live on the revenue derived from so small a capital.

And so we can not avoid the conclusion that, however important may be the rôle of circumstances not directly economic in deciding the colonists to emigrate to Siberia, it is none the less indisputable that the principal reason that urges them is poverty of the extremest sort, the material impossibility of existence in Russia in Europe and the hope of finding conditions more favourable in the remote and mysterious Siberia, a less gloomy future and the possibility of creating for themselves an existence economically happier and socially more independent.

Before investigating how far these hopes are realised by emigration to Asia, let us stop to consider the expenditure necessitated by the transfer of residence from the old to the new home.

§ 4. Removal to Siberia and its immediate consequences.

The study of the immediate economic consequences of removal from Europe to Asia is complicated by the fact that all the colonists do not belong

(1) Cfr. Сборникъ статистико-экономическихъ свѣдѣній по сельскому хозяйству (*Collection of Statistical and Economic Data in connection with Agricultural Industry in Russia*). Yearbook published by the General Management of Agriculture and Agricultural Organisation.

(2) The Russian poude of 40 pounds weighs 16.38046 kg.

to the same class of regular emigrants, that is to say, to the class of those who conform to the rules laid down by the State (1).

These rules, the observance of which alone assures the colonists of the support of the authorities and of important economic facilities, provide that the would be colonist must, in the first place, assure himself through the medium of a " chodok " of a lot in conformity with his desires and requirements. It is only after such a lot has been assigned to him, that he must at his ease and without hurrying himself settle his affairs in his original home and, then, betake himself directly to the place of his new residence, benefiting by the special tariffs to which he is entitled, and begin to farm the land secured by him in anticipation.

Although it is evident that this method of proceeding, assuring the colonists of the uninterrupted support of institutions specially founded for the purpose, is the only safeguard against unreflecting action and disappointment, many emigrants, all the same, prefer to follow their own ideas, without consulting the experienced, or the authorities and consequently do not receive from the latter the protection and the favours reserved for the regular emigrants. These independent settlers generally sell their land in Europe for what they can get, leave for Siberia on chance, with no plan made in advance, and, once arrived, generally in districts where all the lots for colonists are already occupied, endeavour to gain a livelihood in some way or other, until they succeed in finding unoccupied lots in a colony where they are acceptable.

In the course of their wanderings, sometimes prolonged for entire years, the funds realised at the moment of leaving Russia in Europe increase and diminish in a manner quite impossible to foresee, since it depends on the chances of a life of adventure and as the number of these independent colonists is very considerable — more than 13 % of the 21,800 families comprehended in the enquiry — in the statistics of the economic operations immediately connected with the removal to Asia there is a regrettable uncertainty in regard to the figures for the whole number of emigrants, which is unfortunately not to be remedied.

So much said, let us now consider the statistics.

The sale of the farms previously possessed in the provinces of Russia in Europe by the 21,800 families considered in the Government Enquiry, brought in a total amount of 2,400,000 roubles. The sale of the buildings and live and dead stock belonging to these farms brought in 6,397,401 roubles. We must add to this an amount of 998,663 roubles, representing the estimated value of the farms the emigrants had not succeeded in selling at the date of their departure for Asia, as well as another amount of 2,123,206 roubles, representing that of the live and dead stock taken with them and we shall get for the total value of all the assets of these families

(1) In regard to the rules for official, that is to say, State aided emigration, see the article already mentioned, " Home Colonisation in Siberia in 1913 " published in the number of this Bulletin for March, 1915.

at the date of removal an amount of 11,919,270 roubles. If we now deduct from this total the amount of the debts, of the arrears of taxation as well as of other liabilities of the same kind, it follows that the total assets of these 21,800 families, at date of removal of each for Siberia, may be calculated at 8,650,012 roubles.

The total assets of these families, when those of each are calculated not immediately on arrival at its destination but at the moment of its definite establishment and resumption of agricultural work in Siberia, will be reduced as follows : cash, 2,463,294 roubles, live and dead stock, 2,123,206 roubles, total 4,586,500 roubles, to which must be added 998,663 roubles, representing land not yet sold in the European provinces of the Empire. Altogether we arrive at the total amount of 5,585,163 roubles.

Finally, deducting this total from that previously given, we find that the general decrease in the assets due to the removal of colonists from Europe to Asia is 3,064,849 roubles (8,650,012—5,585,163) or 35 % of the total amount possessed by the colonists when they left Russia in Europe. This decrease, comparatively very considerable, above all in consideration of the low rates for transport of emigrants, is largely due to the influence of the figures relating to the independent settlers mentioned above, who generally possess nothing at all when they finally succeed in definitely establishing themselves.

Calculating the averages per family from the above total figures, we get the following amounts :

Average amount of assets before emigration	397	roubles
The same, less the value of the land	241	»
Average assets of each family at date of establishment in Siberia	203	»
This last sum is made up as follows :		
Cash	90	roubles
Value of stock brought with them by the colonists . . .	77	»
Value of land still unsold in Europe	36	»
Total . . .	203	»

As the land still unsold in Europe is not an asset immediately realisable in money, it follows, that the average initial working capital possessed by each family of colonists on arrival at its destination is only 90 + 77 = 167 roubles.

This excessively small amount is fortunately added to by subsidies for initial establishment, granted by the Government, varying in amount according to circumstances, but of an average that may be estimated at 96 roubles per family. Added to the above amount, this gives 263 roubles for the total initial working capital of each family.

When the value of the land is deducted, this amount exceeds by 23 roubles that possessed by these same families before their removal to Siberia (See above). As regards the stock brought by the emigrants, it includes on an

average 1.6 head of livestock (horse, ox or cow) and one agricultural machine or vehicle for each family. The decrease in the amount of stock implied by these figures when we compare the amount possessed by each family before and after emigration is nearly compensated by the corresponding increase in the amount of money owned by each colonist.

To sum up then, the Government enquiry enables us to see that, when we leave out of consideration the value of the land the colonists have at their disposal before and after emigration, their general economic position is, at the moment of their resumption of agricultural work in the new country, almost the same as it was before they left the old. This is due in the first place to subsidies for first establishment granted by the State, in compensation for losses incurred by removal to Asia, and reduces the whole problem we are here endeavouring to solve to a comparison of the area, the comparative value and yield of the land owned by each family of colonists before and after emigration.

We shall now proceed to consider these points.

§ 5. Economic development of the colonies in Siberia.

We saw above that the total area possessed by each of these families before emigration was, on an average, 4.5 deciatines In each of the four regions into which we have divided Siberia (§ 2), this average is different : in the first, it is 3.6 deciatines, in the second 5.0, in the third 4.8 and, lastly, in the fourth 4.9. The regular distribution, by regions, of the colonists in the new country, in accordance with their economic circumstances in the old, is explained by the fact that each of them generally tries to choose his new holding in a region as far as possible resembling his native district in climate, and agricultural and other conditions. The first region of Siberia, for example, will above all attract emigrants from the rich provinces of South Russia, where the holdings are very small in area. The fourth region, on the contrary, will principally attract emigrants from the forest provinces of the North, where, naturally, the holdings are larger.

Let us now see what are the circumstances of all these colonists after their arrival in Siberia.

Formerly, the area of the colonisation holding was calculated in every district of Siberia at 15 deciatines per " soul ", that is to say per adult male member capable of work in each family (1). A few years ago, the Government introduced a change in this matter, which was both just and reasonable and regulated the area of the lots in accordance with the approximate value of the land. The former average

(1) In order to avoid confusion, when we use the word " soul " in this special Russian sense, we shall place it in inverted commas. Without inverted commas, the word will be used in its ordinary sense.

of 15 deciatines was reduced to 12, 10 or even 8 in the richer districts and in those preferable on other grounds. In consequence, the area of the colonisation lots granted to each family of colonists varies as shown in the following table, in which we also show the area of the land formerly possessed in Russia in Europe, the average per "soul" on which the area of the family holdings is based, the number of "souls" per family, according to the statistics collected by means of the enquiry of 1911-1912, and finally the average area, per region, of the colonisation lots of each family.

TABLE I. — *Area of Land Possessed by Colonists Before and After Emigration.*

Regions	Area Possessed in Deciatines				Increase as Multiple of the Area Possessed in Europe
	by Families Before Emigration	After Emigration, in Siberia			
		by "Souls"	Average Number of "Souls" per Family	by Families	
I. (West Plain)	3.6	14.5	2.43	35.3	9.8
II. (South Steppe)	5.0	14.9	2.70	39.9	8.0
III. (East Steppe)	4.8	15.0	2.66	40.0	8.3
IV. (North Taïga)	4.9	15.0	2.50	37.5	7.7
Average for the Whole of Siberia.	4.5	14.9	2.59	38.3	9.0

We see, then, that the first effectual result of emigration to Siberia is that each family of colonists obtains an area on an average *nine times larger than* it had in its original home.

Let us observe in this connection that the figures showing the area of the holdings possessed *before* emigration include waste land, whilst, on the contrary, those showing the areas granted to the colonists include only land considered as more or less adapted for farming. In order to arrive at the total area of the colonisation lots, we must add about 3.2 deciatines of land not adapted to farming per "soul", which would give far higher figures for the increased areas than those shown in the last column of the table.

Let us now see to what extent the colonists profit by the advantages offered them by this enormous increase in the area at their disposal.

The first year of residence in Siberia is naturally the hardest of all. The newly arrived colonist has to establish himself, to erect the buildings absolutely necessary to lodge him and shelter his livestock during the winter, clear, and sow an area large enough to assure him in the summer of a harvest sufficient for his needs ; he must enclose grazing grounds for his livestock,

cut the hay he requires for winter, provide himself with fuel etc. In one word he has to do every thing at once.

The local conditions, above all the wealth of forest, of course are of very great importance for him under these circumstances; naturally, indeed, the colonist, who, in order to have a field or grazing ground, has first to clear all the land required, will not obtain the same results as one who finds the land prepared for him. In fact, the Government Enquiry ascertained that the areas brought into working condition, whether as fields or grazing grounds, the first year were :

	Deciatines
In the fertile plain of the West (1st. region)	2.8
,, Southern Steppes, without forests (IInd. region) . . .	2.2
,, rich forest steppes of the East (IIIrd. region)	1.9
,, Northern " Taïga " (IVth. region)	0.7

These results are very remarkable. They show us in fact that in districts where colonisation is not at the start impeded by too luxurious forest growth, in the Western plain and the Southern steppes, for example, the area the newly arrived colonists succeed in bringing under cultivation in the *first year* of their installation is equal to or larger than the average area really cultivated by them in their native provinces. Indeed, we have seen above (§ 2) that the average of the latter area was, taking all the emigrants into consideration, only 2.4 deciatines.

In other words in his first year of residence in Siberia, the colonist established in the two regions in which there are no forests, from a strictly agricultural point of view, is under economic conditions in no way inferior to those under which he lived in Europe, with this essential difference, however, that in Siberia the abundant land at his disposal offers him possibilities of development he did not possess in Europe. With regard to the colonists established in the forest regions, it must not be forgotten that the decrease in the agricultural yield properly speaking, indicated by the above figures for the first year of residence in Siberia, is, at least in part, made up by the yield of the forests from which they are of necessity compelled to reclaim the land to be farmed (1).

Altogether, therefore, perhaps the colonist will find his life in Siberia during the first year harder still than in his native province, but, as we shall see, this hard beginning is amply and rapidly compensated by the results of the ensuing years of colonial farming.

For the study of the further development of the Siberian farms, the holdings were divided, for purposes of the enquiry, into five classes;

(1) The Government, which had already previously facilitated the deforestation of regions too rich in forests, by acting as intermediary for the colonists in selling the forest produce, in 1912 instituted a special credit for clearing the " taïga " before cultivation, by which the colonists there receive 143 roubles per deciatine occupied.

the first including all those regularly worked for a period of less than three years, the second those worked for full three years, the third and fourth those worked for from four to seven and from eight to eighteen respectively, the fifth those worked for nineteen years or more.

The following table gives, for each class and in each region into which the country was divided, the average area farmed by a family, whether arable or pasture land. For the sake of comparison we give the corresponding figures in regard to the areas worked by the independent settlers mentioned above, or at least by those who, until they can succeed in obtaining a holding of their own, attempt to make a living by cultivating land on lease. It has not been thought necessary to classify these latter farms according to the period they have been worked.

TABLE II. — *Progressive Development of the Farms Worked by Colonists in Siberia*:

Farm worked for a Period of	Average area, Farmed by a Family in each Region (in Deciatines)											
	Arable Land (1)				Pasture Land				Total			
	Regions				Regions				Regions			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Less than 3 Years.	4.4	3.5	2.2	1.4	8.0	4.1	4.7	2.7	12.4	7.6	6.9	4.1
3 Years	7.3	4.9	3.0	1.8	9.5	5.4	5.0	3.1	17.8	10.3	8.0	4.9
Between 4 and 7 Years	8.7	5.6	3.8	2.3	11.1	4.9	4.8	3.4	19.8	10.5	8.6	5.7
Between 8 and 18 Years	9.8	8.5	5.9	3.2	7.5	7.0	6.2	6.2	17.3	15.5	12.1	9.4
19 Years and More	8.0	7.7	3.9	1.5	10.3	4.2	9.4	5.6	18.3	11.9	13.3	7.1
Farms Worked by Independent Settlers. . . .	2.6	2.0	0.4	0.3	2.5	1.6	0.6	0.9	5.1	3.6	1.0	1.2

(1) These figures only refer to areas sown, not to fallow land, gardens and areas otherwise farmed.

Let us here observe that in view of the relatively recent date of the systematic organisation of emigration to Siberia, and, above all of that still more recent, of the State organization of this emigration, the farms longest worked, that is to say, those the farming of which began and continued for a several years without the assistance of the colonisation institutions afterwards founded, naturally compare unfavourably with those the whole working of which has been carried on under the auspices of the

State. To this circumstance among others must be attributed the apparent decrease in cultivated areas for the older farms (1). In fact, there is no question of a real decrease in the cultivated area belonging to a certain category, but we have here two different classes of farms, one encouraged from the start by the State, the other abandoned to itself during the first and most difficult years. Let us add that the number of the latter farms is very small ; it represents in fact only 3.8 % of the total number to which the enquiry extended.

It was found also that the development of the colonial farms continues far beyond the period shown in this table. In a quite general sense, it may be admitted that this development only reaches its maximum about the twenty fifth year.

The conclusions to be derived from the above table are as various as they are interesting. If, as we say above, the hard work of the first year just suffices to assure the colonists of an existence as wretched as they had in their native provinces, the work of the second year, on the contrary, results in a very remarkable improvement of their circumstances. Even in the " taïga ", where the exploitation of forests increases the results obtained by farming, the general economic circumstances of the colonists are thenceforward at least as good as those under which they lived in Europe. Everywhere else they are infinitely better. In the fertile Western plain, for example, where the yield of the soil is appreciably inferior to that of the European provinces of the Empire (2), it may be admitted that the annual revenue of the colonist is three times what it was only two years before in Europe.

This general improvement becomes more marked in the following years. From the third year we may say the economic position of the Siberian colonist is definitely assured. Our table shows us in fact that at that moment he has an average area of farmed land, varying from 8 to 18 deciatines per family, that is to say a farm the yield from which is quite sufficient for the requirements of ordinary life.

Here again we must make exception for the colonists established in the " taïga ", who, as shown in the table, generally do not succeed in clearing the area they require before the end of the eighth or tenth year of their resid-

(1) We shall consider later on another reason not less important for these smaller figures, the change from the system of the greatest extensive to that of intensive cultivation.

(2) See, for example, in respect to rye, the average annual yield in " poudes " per deciatine in the above mentioned " Collection " of the General Department of Agriculture and Agricultural Organisation :

Years	in Europe	Prov. of Tobolsk
1909	51	38
1910	56	60
1911	48	45
1912	61	70
1913	58	57

ence in Siberia. But, we repeat once more, this exception is more apparent than real, as in their case the lesser yield from the purely agricultural crops is amply made up for, on the one hand, by the yield from the exploitation of the forests, and, on the other, by more effectual assistance from the State, which is especially interested in the colonisation of these countries (1).

One of the most important conclusions we may draw from our table is that of the really striking inferiority of the independent farms compared with those of the regular colonists. We know already the causes of this inferiority; let us therefore only add that the emigrants are fortunately now beginning to understand them and it is to this the continual and increasing diminution in numbers of the independent colonists is, in the first place, to be attributed (2).

Theoretically, the increase in the area of the available farms should have led to a corresponding increase in the number of head of livestock and of the farm implements possessed by the colonists. Practically, however, the increase in the stock has been incomparably superior to that of the area, as is seen in the following table, also taken from the report of the Government enquiry of the years 1911 and 1912.

TABLE III. — *Average Increase in the Stock of the Siberian Colonists.*

	Average Stock, per Family, Possessed		Percentage of Increase on the Stock Possessed on Arrival in Siberia
	On Arrival in Siberia	at Date of Government Enquiry 1911-1912	
Head of Livestock	1.5	13.0	767 %
Implements and Machines (Exclusive of Sowers and Reapers)	0.9	5.0	456 %
Sowers and Reapers'	0.1	0.4	300 %

In themselves, the figures given in this table already show a remarkable improvement in the circumstances of the colonists. When compared with those in Table II, they serve admirably to complete the general idea given by that table of the total progress realised on the farms.

(1) When we consider the figures in Table VI, we shall find additional proof that the colonists of the " taïga " are in no way less fortunate in their lots, as regards the revenue to be derived from them, than their companions in regions better suited to agriculture, properly so called.

(2) In 1904 the independent colonists formed 92.7 % of the total number of emigrants to Siberia; in 1912 they formed 45.3 % and lastly in 1913 hardly 35 %.

With the fixed idea that all the troubles of his existence in Europe were due exclusively to the insufficient area of the land he had there, the first care the peasant has, on his arrival in Siberia, is to bring under cultivation the largest possible area. The figures in table II furnish irrefutable evidence of this. Experience, however, soon shows him that quantity is not everything and gradually we see him limiting his attention to the quality of the crops. His exaggerated desire for large areas diminishes; it at last almost entirely ceases, and the efforts of the colonist are thenceforth given to the increase, as we see in Table III, of his livestock and the improvement of his agricultural implements and so of his methods of cultivation.

§ 6. Economic position of the colonists when definitely established.

The figures up to now given refer to the whole number of the 21,800 families of immigrants considered in the Government enquiry of 1911-1912, without regard to whether they were composed of colonists definitely established and already habituated to the quite special conditions of Siberian life, or still inexperienced beginners, or even of the class of independent settlers.

On account of circumstances different, it is true, but equivalent in their effects, these two latter classes, beginners and independent settlers, are, of course, in point of agricultural and economic activity far less competent than colonists already experienced, who have overcome the difficulties inevitably associated at first with a new installation in a new country. It would be, therefore, unfair, to allow the evidently inferior results of the work of these two classes to reduce our estimate of that done by the majority of experienced colonists. And the more so, as the inferiority of the beginners and independent settlers is only a transitory matter.

A comparison between the economic position of the Russian peasant before emigration and that of the Siberian colonist will only be fair and really conclusive if we count as Siberian colonists only those, whose farms have already attained their natural development, that is to say, when we eliminate from the statistical tables the figures relating not only to the independent settlers, but also those relating to the beginners, considering as such all colonists who have been farming for less than three years (1).

On the above grounds, the Government enquiry gave quite special importance to the comparative study of the general economic circumstances of the Russian peasant before emigration and those of the Siberian colonist definitely established beyond the Urals for at least three years. In this connection we reproduce the following table :

(1) We have just seen when considering the figures in Table II, that it is at the end of three years the economic position of the colonist may be considered as definitely assured.

TABLE IV. — *Comparative Area of Colonists' Farms Before and After Emigration to Siberia.*

	Area in Deciatines, per Family							
	of all the Farms Worked			of Land Sown		of Land Sown, and Grazing Ground		
	in Russia	in Siberia		in Russia	In Siberia 1911-12	in Russia	in Siberia	
		First Year	1911-1912				First Year	1911-1912
I. (Western Plain) . . .	3.7	6.8	21.2	2.6	8.8	2.9	6.8	18.4
II, (Southern Steppe) . .	4.0	6.1	18.8	2.7	6.8	3.0	6.1	12.5
III. (Eastern Steppe) . . .	4.1	5.1	12.5	2.3	4.3	3.2	5.1	9.5
IV. (Taïga)	4.2	1.6	9.4	2.0	2.6	3.1	1.6	7.0
All Siberia	4.0	5.3	16.2	2.4	6.0	3.0	5.3	12.5

In this table the difference between the general area farmed at different moments in the life of the colonists is shown with quite remarkable clearness. It is with the period of the peasants' life in the European provinces, before emigration that the minimum area of the various kinds of farm correspond, and, from the first year of their establishment in Asia, this minimum is left far behind in all the regions of Siberia, with the single exception of the "Taïga". At the date of the enquiry, that is to say when the farms considered had, on an average, been worked for eleven years, the average area cultivated with each kind of crop exceeded *at least three or four times* the areas so cultivated before emigration, even in so unfavourable a region as the Taïga.

We might, by a process similar to that we have just applied in regard to the area of the farms, establish a comparative table of the live and dead stock possessed by the colonists before and after emigration. But as we have not the space, we shall limit ourselves to indicating that the conclusions such a table would enable us to arrive at would be equally favourable to the results of emigration. Let us rather compare the total value of the assets of the colonists, exclusive of land, before emigration, at date of establishment in Siberia and at date of the Government enquiry.

The enquiry established that, before emigration, the capital in buildings, live and dead stock and the savings in money of all the colonists, in the class under consideration, amounted to a total of 3,933,300 roubles. At the date of establishment in Siberia, the value of these assets had decreased to 3,301,500 roubles. At the date of the Government enquiry they were valued at 10,121,900 roubles. And this sum did not include the savings in money belonging to the colonists, not taken into account by the enquiry.

From the above figures we see that by removal from Europe to Siberia, the total assets of the colonists here considered decreased by 631,800 rou-

bles or 16 %. This gives an average of 78 roubles per family. On the other hand, the profits obtained by the cultivation of colonial farms in Siberia up to the date of the enquiry of 1911-1912 were such as to increase the total capital possessed before emigration by 8,368,500 roubles (savings in money included). The increase was then 213 % on the capital possessed in Russia, and 272 % on that possessed at the moment of establishment in Siberia.

Distributed among the families considered, 16,487 before emigration, 20,456 at date of establishment in Siberia and 21,752 at date of the Government enquiry, these fignres give the following results.

TABLE V. — *Average Capital per Family at Various Dates.*

Before Emigration .	239	roubles	(varying	from	196	to	295	roubles,	according	to	region)
On Arrival in Siberia	161	»	»	»	143	»	188	»	»	»	»
In 1911–12	461	»	»	»	241	»	665	»	»	»	»

In other words, the value of the capital formed in Siberia exceeds that possessed in Europe before emigration by 227 roubles, or 95 % and that the colonists had when they began farming in Siberia by 305 roubles or 189 %.

We see these figures, above all the percentages, are less than those given above for the whole group of colonists considered. This is due to the different number of families taken into consideration at the three different dates considered. These apparently different results are, however, of very little importance ; they may serve to elucidate different aspects of the problem ; but in no way modify the substantial results. In spite of the very considerably larger number of the families considered at the later dates, the average level of material prosperity is none the less infinitely higher than before the emigration.

The possessions of each family of colonists, exclusive of land, are, on an average, nearly twice what they were in their original country. And if we could say above that in Russia in Europe the colonist was indigent, it is no exaggeration to say that in Siberia he is well to do.

Let us add some details characterising the situation. Before emigration many colonists had no land, and, amongst those who had, many had not homes of their own. In the statistical return the total number of the first category is reckoned at 22 %, and that of the second at 15 %. Emigration has changed this deplorable state of things. In Siberia, every colonist, — of course we mean every regular colonist, — has land quite enough for his requirements. The Government enquiry only found three that had no homes of their own. And in all three cases the lack was merely due to the fact, that, though in course of construction, the houses were not yet finished.

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Up to the present we have been comparing the position of the colonists in Siberia, with their position before emigration. Now, as we know that their earlier situation was very unhappy and that the extremest misery was very often the cause of their emigration, our comparisons, however favourable they may be to the results of emigration, have still only a very relative value.

What is important and can alone provide a certain and safe basis for calculation is a comparison of the Siberian colonists' position, no longer with that of the minority of the Russian peasants whom misery forces to emigrate, but with the average position of the whole agricultural class in the European provinces of the Empire.

Owing to the considerable differences characterising the kind of life led by the peasants in regions differing so greatly in every respect as those of Russia in Europe and of Siberia, it is fair to institute comparisons between countries in European Russia and Siberia of more or less similar character. This is the more equitable, as we have seen above that the emigration is guided by a regard to these similarities, and the immense majority of the colonists of the " Taïga " for example, come from the forest provinces of the North, whilst those of the Southern steppes generally come from the Southern provinces resembling in their nature the first two regions into which we have subdivided Siberia.

On these considerations, the Government Enquiry made a comparison between the general conditions of the ordinary life of the colonists of the first and second region and the corresponding conditions of the peasants of the province of Voronezh. The position of the colonists of the third and fourth region was compared with that of those in the two provinces of Kaluga and Olonets. These provinces were chosen, in the first place, on account of the greater or less analogy they presented in their natural conditions with those of the corresponding regions of Siberia, in the second, in view of the special wealth of statistics in relation to the domestic economy of the rural classes in all three cases.

We summarise in the following table, reproduced from the article of M. Kuznetzow, the principal results of the above comparative study.

TABLE VI. — *Comparative Statistics of the Domestic Economy of the Siberian Colonist and the Russian Peasant.*

	Revenue and Expenditure per Individual, in Roubles		Buildings and Stock per Individual — (Number)			Annual Consumption, per Individual, in *poudes*				
						Vegetable Products		Animal Products		
	Revenue	Expenditure	Buildings	Livestock	Implements and Machinery	Grain	Total	Meat	Other Products	Total
Siberia; Regions I and II	89	75	0.5	2.6	1.0	15.2	21.5	1.0	6.4	27.9
Province of Voronezh	58	54	0.5	1.6	0.4	18.6	25.2	1.2	4.6	30.1
Siberia; Regions III and IV	76	65	0.6	2.2	0.9	13.1	27.7	1.1	9.5	37.2
Province of Kaluga .	54	58	0.6	2.1	0.8	13.8	27.2	1.2	5.7	32.9
Province of Olonets .	125	118	—	1.9	—	20.9	28.8	1.0	15.0	43.8

From this table we see that the value of the buildings, both dwelling houses and farm buildings, and of the live and dead stock of the individual colonist definitely established in any region of Siberia for at least three years exceeds that of the average individual peasant of Russia in Europe, equally in the typically Northern province of Olonets, in the central province of Kaluga and in the southern province of Voronezh.

As regards the annual revenue and expenditure in money of each individual, the amount in the case of the Siberian colonist exceeds that of the peasant of the two provinces of Voronezh and Kaluga, but is appreciably inferior to that of the peasant of the province of Olonets. But it is well to observe in this connection that the latter amount is absolutely exceptional for Russia in Europe and that, consequently, also here, statistics show the position of the colonists as superior to that, of the average peasant.

Let us further observe that if we consider, not the actual amount of revenue and expenditure but the relative amount, that is to say the excess of the revenue over the expenditure, the difference in the position of the colonist and the peasant of the province of Olonets disappears and the advantage remains definitely with the colonist.

Let us observe in this connection, that the best financial result, an excess of 11 roubles in 76 roubles of revenue, or almost 15 %, is given by the IIIrd. and IVth. regions of Siberia, those, that is to say, in which on account of the immense labour of deforestation necessary, the development of purely agricultural enterprise is least important. This serves to show, better than any long discussion could, how the difficulties met with in these regions in

the establishment of agricultural colonies are compensated by the possibilities presented by other more lucrative undertakings.

In regard to food, finally, the difference, though not considerable, is still in favour of the colonist. In fact the decrease in the amount of vegetable produce consumed by the colonist is amply made up for by the corresponding increase in animal food. In the province of Olonets the extraordinary quantity of animal produce other than meat consumed shown in our table, is due to an exceptional consumption of milk in the region, which is eminently a dairy region. Now, we know that the dairy industry is just one of the most thriving in Siberia. It is therefore to be foreseen that, in a short time, the Siberian colonist will be on a par with his fellow in Olonets, also in regard to this matter.

To sum up, we see the immense improvement in the general economic conditions of existence we have observed in the whole of the present article as the immediate result of the emigration of the Russian peasant to Siberia is not merely an improvement on his former wretchedness. Far from that. Three years of by no means excessive labour, since the average number of colonists can support it, suffice for the famished peasant of former days to become a land-holder, whose comfort rather exceeds than equals that of the average peasant even in the richest provinces of Russia in Europe.

§ 7. Results of colonisation from the point of view of the movement of population. Conclusion.

Although the work of home colonisation in Siberia is of recent date, the relatively considerable economic prosperity which is its first direct consequence has none the less already made its influence felt, under the most characteristic form of a greater average natural increase of the local population. We give below the figures on the subject collected by the Government enquiry.

Table VII. — *Movement of Population in the Siberian Colonies Studied by the Government Enquiry of* 1911-1912.

Regions	Total Number of Inhabitants in the Colonies Studied			Average Residence of the Colonists in the Colonies (in Years)	Annual Average Increase	
	At Date of the Enquiry (1911-1912)	At First Establishment of Each Family	Increase		Individuals	%
I	52,095	40,770	11,325	8.5	1,332	3.3
II	52,773	39,785	12,988	7.0	1,855	4.7
III	45,918	39,534	6,384	6.0	1,064	2.7
IV	27,718	24,456	3,262	7.0	466	1.9
All Colonies Studied	178,504	144,545	33,959	7.0	4,717	3.3

Thus in the seven years representing the average residence of the colonists in their new home, the natural increase in the population was 3.3 % per ann. In the fourteen years between the date of the last general census of the Russian population and that of the Government enquiry the corresponding average increase for the whole Empire had been 2.2 % per ann. In other words, then, the average annual increase of the population of the Siberian Colonies exceeds by 50 % that of the whole Empire.

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The circumstances just considered give a positive answer to the question we asked ourselves at the beginning of the present article. We shall not therefore continue further our examination of the wealth of statistics collected by the Government enquiry in relation to the general economic conditions of the life of the Siberian Colonists.

It is now established that these colonists have derived considerable benefit by the transfer of their activity from Russia in Europe to Siberia. These advantages consist, in the first place, in an increase in the area of the arable land at their disposal to four times that they before possessed. And with this there is a scarcely less considerable increase in their personal estate. Removal to Siberia and the expense of initial establishment occasion each family of colonists an average loss of 78 roubles. But the revenue from the farm is not slow in making up for this and even enables the colonist to develop his resources in a way hitherto absolutely unknown. We have seen that at the end of a few years the capital represented by buildings and live and dead stock, possessed by each colonist is on an average twice what it was before emigration. Finally, the material conditions of daily life are altered in as radical a manner. When he has become a colonist in Siberia, the small farmer, who formerly, in his native district, could not always manage to satisfy his hunger, rapidly arrives at a position which permits of his feeding himself better than the average peasant of the European provinces of the vast Empire.

And, let us observe, all these results, among the happy consequences of which we have noted the average natural increase of the population of Siberia, have been obtained in quite the first stage of colonisation under State direction, at a moment when, in spite of the enormous progress made each year, rural economy in Siberia is far from having attained its full development.

The results up to the present are, in the highest degree, satisfactory. In the future they will certainly be more so. The continual increase in the area under cultivation, in the money and stock possessed by the colonists, the improved methods of cultivation and the increased yield from the land resulting therefrom, the daily intensified action of the Government in regard to means of communication, transport, credit, industry and general cultivation in these formerly neglected regions, all lead us to expect continually more rapid and complete progress in the future and a further increase of the general prosperity already so notable among the colonists of Siberia.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO AGRICULTURAL ECONOMY IN GENERAL.

UNITED STATES.

BROOKS (ROBERT PRESTON), PH. D.: THE AGRARIAN REVOLUTION IN GEORGIA. 1865-1912. *Bulletin of the University of Wisconsin.* Madison, Wisconsin, 1914.

The "period of reconstruction" in the South, following the close of the Civil War, has always proved attractive to the student and the historical essayist. Unfortunately, the political events and movements — and in particular the political scandals — of the period have attracted an unduly large share of attention, with the result that the social and, to an even greater extent, the economic changes which resulted from the emancipation of the negro have never been fully traced.

The author of the present volume dismisses the carpet-bagger and all he represents in a couple of sentences, and goes straight to his purpose, which is to show what were the effects of emancipation upon land tenure in Georgia.

He describes first the failure of the attempts to continue the plantation system with free negro labour, and here his analysis of the causes to which failure is to be attributed is exceedingly well done. He next traces the gradual development of share-tenancy, and then of cash-tenancy and ownership; and, finally, he seeks to explain the changes in the relative importance of whites and negroes in the population of the various distinct farming regions into which Georgia is divided by conditions of soil, climate and altitude.

The author succeeds in throwing some new light upon many of the points with which he deals. Thus he points out that the negro in refusing to work under the plantation system was inspired not so much by hatred of work as by hatred of supervision; and the distinction is of great importance, for if means can be found to make such supervision effective without being irksome a great many difficulties would be removed, and a great many much-needed improvements might be effected in Southern agriculture. It is interesting to learn, too, that here and there the plantation system continued almost without interruption after emancipation, and that where this was the case, success was to be attributed to the superior energy, ability and intelligence of the overseer; so that, undoubtedly, the system

proved unworkable partly because the overseers as a body did not possess the necessary ability. They could handle slave labour; but they were unequal to the task of directing free labour. Again, it is rather a surprise to find that the author contrasts the " evils of tenancy ", not with the advantages of ownership, but with the advantages of the crop-sharing system in which the share-tenant or " cropper " is practically a labourer working under the direction of the owner of the farm. Yet the arguments adduced in favour of crop-sharing are apparently conclusive. Where the owner shares the crop he directs all the farming operations, determining what crops shall be sown, when and how they shall be sown, how they shall be cultivated and when they shall be gathered. He provides a mule and sufficient feed to keep it in good condition, together with farm implements, seed and manures. The share-tenant furnishes nothing but his own labour. Under this system it is possible to follow an intelligent rotation of crops, maintain the permanent fertility of the soil and secure , year by year, a fair return to both the capital and the labour employed.

Unfortunately when the share-tenant, under the intelligent direction of the landlord, has accumulated sufficient money to buy a mule and a few implements, he invariably seeks to rent a holding as a cash tenant; and then it usually follows that cotton and nothing else is grown, the land is not suitably manured, fences and buildings are neglected, the crop is badly cared for, and, at the and of a year's work, the tenant is probably more heavily in debt than at the beginning. Very often he is turned out of his holding after one or two seasons and begins again as a share-tenant.

Prof. Brooks writes of the negro with sympathy and with intimate knowledge. He does not believe that the coloured farmer (except in very exceptional cases) does well in an independent position as an owner, or in a semi-independent position, as a cash tenant, but he has no thought of denying to the negro the right to fill any position for which he proves himself fitted. In any study which deals with the relations between negro and white in America the question of tone is everything; and in this respect the present volume is unexceptionable.

HOFFMAN (FREDERICK L.), LL. D.: THE ECONOMIC PROGRESS OF THE UNITED STATES DURING THE LAST SEVENTY-FIVE YEARS. *Quarterly Publications of the American Statistical Association.* New Series, No. 108. December, 1914. pp. 294-318.

The writer of this article succeeds in condensing into twenty-five pages a mass of statistical information relating to the " verifiable progress " of the United States, — using the word progress (as he explains) in the true and inconvertible acceptance of the term to mean " improvement in the economic condition of the body of the people ". He has chosen the year 1840 for no reason other than that the Census of that year marks the beginning of a concerted effort to ascertain, in the decennial enquiry, something beyond the mere number of persons of each sex and of various ages which

form the total population. He presents data relating to number, nationality and occupations of the people, wages and hours of labour, the growth of agriculture, mining and manufactures, Government revenue, public debt, education, banking, life insurance, etc.

Summarising the conclusions to be drawn from his statistics, Dr. Hoffman finds abundant matter for congratulation. "The evidence," he says, "is incontrovertible that on the whole there has been measurable progress in the United States in every important direction affecting the material well-being of the people." He finds that production in agriculture and manufactures has increased considerably, and more than proportionately to population, with higher wages, shorter hours of labour, and comparative freedom from demoralizing irregularities of employments; that statistics of education give evidence of the intellectual progress of the nation; that there is a wide diffusion of thrift, shown by the statistics of building societies and life insurance companies; that the per capital wealth is greater in the United States than in any country in the world; and that nowhere in the world is to be found a more prosperous agricultural population.

Turning next to the evidence of absence of progress he adduces the declining birth rate and the diminishing size of the American family, a rising divorce rate, an apparent increase in lawlessness and crime, a diminishing mercantile marine and the enormous waste of natural resources which admittedly has taken place.

The writer has not confined himself to the publications of the Bureau of the Census, but has made use also of the results of special investigations carried out by the Bureau of Labour and of the vast amount of information collected by the United States Immigration Commission. His article will be welcomed by the many people who have occasional use for statistics, — especially comparative and progressive statistics such as are here presented, — but who lack the time (and perhaps also the training) necessary for the interpretation of figures presented in bulk.

GREAT BRITAIN AND IRELAND.

LABOUR FOR THE LAND. I. A GROWING PROBLEM: CATTLE INSTEAD OF CORN. II. MACHINERY: WAGES AND WAR PROFITS. III. CONCLUSION: STOCK FARMING ON ARABLE LAND. The Times. London. April 12th., 13th., 14th., 1915.

These three articles by the distinguished agricultural writer who contributed to the *Times* the valuable series of articles entitled "A Pilgrimage of British Farming," deal with a problem which was becoming increasingly difficult before the war and has been rendered more acute by the war itself.

The writer notes that whereas, during the period of agricultural depression, there was a steady conversion of arable land into grass, the period of rising prices and growing prosperity beginning in 1894 has not been attended by a reversal of the procedure, and the area of arable land has continued to fall year by year, and even the number of live-stock has tended to decline. Though the farmers of the country have been making money since 1900 they have not been improving the character of their farming. It would seem that they have not been investing their profits in their farms. Some have continued to conduct their farms in the traditional way; others have lacked confidence in the future of farming and preferred to invest their savings in industrial securities.

One reason for the continued laying down of land to grass has been the high price of milk, but most of all the increasing scarcity of labour has been the cause at work. This has been due to growing industrial prosperity, which attracted the boys of the country to the better-paid industries of the towns; to emigration to Canada as a result of the efforts of the Canadian Governments, and to the reduction in the supply of Irish migratory labourers owing to the settlement of the land question in Ireland. To meet the scarcity wages had risen by about 2s. a week before the war, but this was not sufficient to meet the increased cost of living or the competition of other industries.

The scarcity of farm labour was much accentuated by the outbreak of the war. It is estimated that 8 per cent of the male population of the land has enlisted, and those who have done so are the most active and able-bodied. Enlistment has also affected the supply of casual labour required for the spring work; in fact, this reserve of labour has practically disappeared.

The writer strongly urges an immediate and substantial rise of wages as the only means of keeping the active labourers on the land. At present prices, he maintains, wages could be increased by half and there would still be left a more than equivalent war profit to the farmer. There is, it is true, the risk that a fall of prices may set in with the new harvest, but it would be a very safe speculation to assume that prices will be maintained at a level which would cover a general rise in wages of 5s. a week. The writer also counsels the increased use of machinery, arguing that the power of each man employed in cultivating the soil could be doubled if he were made more of a machine-minder and less of a manual labourer.

As a further step towards preventing the putting down of land to grass, the writer of the article advocates the system of arable farming for cattle food, originated by Mr. T. Wibberley. This system results in more intensive farming and a higher production from the land while taking advantage of the greater returns to be derived from milk and meat than from corn.

ITALY.

D'ALESSANDRI (ALESSANDRO) : GLI USI CIVICI NELLA PROVINCIA ROMANA (*Civic Uses in the Province of Rome*). Rome, Tip. della Camera dei Deputati, 1915. pp. 39.

In this monograph the author deals briefly and lucidly with the origins of the various civic uses in the Province of Rome. After having treated of the provisions and consequences of the Pontifical Notice of December 29th., 1849, he speaks of the more recent Italian laws of June 24th., 1888 and August 4th., 1894, pointing out their defects, and noting the disadvantages of what is called the provisional law of March 8th., 1908 (*leggina provvisoria*). He deplores the agitations and the inroads on landed estates, which arrest and render impossible all agricultural progress and expresses his desire for the speedy presentation of the expected new bill to regulate the old question of civic uses and establish a more reasonable basis for collective ownership. The new movement warmly advocated by the author should be based on the Circular of the Minister Nitti, of February 7th., 1914 and thus contain a programme founded upon the necessity of settling the families of the occupiers on land to be improved and maintaining them there until they have benefited by the improvements made.

RUGGERI ALFREDO, gerente responsabile.

INTERNATIONAL INSTITUTE OF AGRICULTURE

BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

MONTHLY BULLETIN OF ECONOMIC AND SOCIAL INTELLIGENCE

54th. VOLUME

VIth. YEAR—NUMBER 6

JUNE 1915

ROME: PRINTING OFFICE OF THE INSTITUTE, 1915

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Part I: Co-operation and Association

UNITED STATES.

THE ORDER OF PATRONS OF HUSBANDRY ("THE GRANGE").

I. — *ORIGIN AND EARLY HISTORY.*

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INTRODUCTION.

The Order of Patrons of Husbandry, popularly called the Grange, the most influential farmers' association in the United States, was founded in 1867, and has been in existence therefore for nearly fifty years.

It has had what is in many ways a remarkable history. Founded by a small number of Government clerks in Washington, D. C., the Order achiev-

ed an extraordinary popularity almost immediately, and reached the height of its power at the end of 1874 and the beginning of 1875. Soon afterwards it began to decline — or rather to collapse, and its fortunes reached a very low ebb about 1880.

Since then it has made slow but steady progress in numbers and in influence, and at the present time is probably really stronger than it has ever been in the past. It has survived unexpected prosperity and sudden adversity, both undeserved, and has conserved unimpaired to the present day the ideals and aims of its founders. This in itself is a remarkable tribute to the acumen of the men who laid the foundations of the Order, and to the usefulness of its work. The Grange in its time has played many parts, for some of which we now know it was ill-suited. The men who direct it have learnt much in the hard school of experience and are content to guide the Order upon safe and conservative lines, working for the social and economic betterment of the farmer and, above all, for his intellectual and spiritual advancement.

We propose in this paper to trace the history of the Order from its inception down to the year 1880. It will be necessary, however, to examine first under what conditions the movement in favour of organisation among the farmers arose, and we shall direct our attention, therefore, to the economic situation of the United States, and in particular, to the position of the farming classes, in the years following the close of the Civil War.

§ 1. Agricultural discontent and the movement in favour of organisation.

The period from the close of the Civil War in 1865 to the year 1880 was one of widespread agricultural discontent, due to causes some of which were general and affected (to some extent at least) all the different classes in the country, and some of which affected only the farmers. Among the multiplicity of causes which contributed to the discontent, undoubtedly the fundamental cause was the fact that agriculture at the time was threatening soon to become an unremunerative occupation. Following the close of the war there was a sudden expansion in every direction. In agriculture there was an enormous extension of the area of cultivated land, a great increase of population in the frontier farming States, — Minnesota, Dakota, Kansas and Nebraska, and a corresponding increase in agricultural production. The sudden increase in the area of land under farms was due principally to the throwing open of the public lands to settlement. The Homestead Act, passed in 1862, made it possible for each head of a family to obtain a holding on the public domain. In the same year a grant of nearly ten million acres of land was made to the States for agricultural colleges, and much of this land was sold to settlers at merely nominal prices ; and in the period of which we are speaking huge grants of land

were made also to the railway companies, whose first object naturally was to dispose of the land to the public at whatever price it would fetch. The acreage of improved farm land in the United States increased 15 per cent. between 1860 and 1870, and 40 per cent. between 1870 and 1880. In the North Central Division (1) the increase in the first decennial period was 49 per cent.; in the second, 74 per cent. In the Western Division (2) the corresponding increases were 119 per cent. and 92 per cent.

The increase in the area of land under cultivation would alone have led to a greatly increased output of agricultural produce: but this was not all. The period was one of great inventions in agricultural machinery and of great improvements in technical methods; and the net result was an enormous increase in the production of the agricultural staples—corn, wheat, and cotton—and a corresponding fall in their prices. In 1866, wheat sold at an average price of $1.52 a bushel: in 1870 it sold at 94 cents, and in 1880 at 95 cents. Nor were these years exceptional, for in 1869 the average price was only 77 cents a bushel, and it was only one cent higher in 1878. In 1866, cotton fetched an average price of $97.54 a bale. In 1870, the price had fallen to $67.25, and it continued to fall almost continuously till 1878, when a bale of cotton sold, on an average, for only $41.40.

The net position was this: that while between 1865 and 1880 there took place an enormous increase in the number of persons engaged in agriculture and in the amount of capital invested in the industry, yet the total receipts for agricultural produce increased, year by year, but little (if at all) in the same period.

And this, we must remember, was but one of the causes of the discontent among the farmers. The power of the railways, the "monopoly" enjoyed by manufacturers and dealers, the disturbed state of the currency, the high tariff and heavy taxation—all these were grievances which the farmers felt to be peculiarly their own.

Their complaints were perhaps loudest against the railway companies, and certainly in the popular mind the Grange is always associated with the first agitation in favour of Government regulation of railways. It must be admitted that the farmers, and the public generally, had substantial grounds for complaint, although the real nature of the case against the railways was at the time not very clearly understood.

The farmers, in the first place, had contributed in no small measure to the building of the railways, both by subscribing capital directly and by voting in favour of municipal and State loans and grants of land to the companies. They looked to the companies, therefore, to provide them not only with a cheap and rapid means of transport, but with dividends in addition; and they felt that in respect to both of these legitimate expectations they had been unfairly treated. Many of the railways never reached the dividend-paying stage, and the farmers were left with a huge amount of

(1) Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, Dakota, Nebraska and Kansas.

(2) Montana, Colorado, Arizona, Nevada, Idaho, Washington, Oregon and California

worthless stock on their hands, and were saddled besides with additional taxation to meet the loans which the States and townships had made to the companies.

With regard to the service rendered by the railways, the farmers asserted that the rates charged were unreasonably high, that there was unfair discrimination both between persons and between places, and that free competition was eliminated by the fact that the companies entered into agreements to maintain rates at competing points. They complained, too, that the companies exercised an undue and wholly undesirable influence upon legislators, State and county officers, and other persons in authority. By distributing free passes over the lines to these persons, and to others whose hostility it was advisable to avoid, the companies succeeded in creating in influential circles an attitude favourable to themselves, and were thus generally able to obtain any concessions they desired. In many cases undoubtedly, they secured the goodwill of influential persons by even more direct means, and nothing was more calculated to incense the farmers than the idea that a small group of railway presidents and political bosses had absolute power to fix rates over a huge territory. It was useless for the railway directors to point to the small dividends that their lines were earning. The farmers were convinced that the stock was watered in every case, and probably in the majority of cases they were right. Railways in these early days were constantly passing into and out of the hands of the receiver, merging with other lines, or being transferred from one group of "interests" to another, in such a way as to give unlimited opportunities for manipulating the stock. A line which passed through all or most of these vicissitudes, emerged as reorganised, and it was very frequently found that that part of the capital which the farmers has subscribed had disappeared entirely during the process of "reorganisation."

The farmers' complaints against the dealers and manufacturers related to the question of prices and credit. New machinery was being invented and new methods of farming were coming into use. Each farmer had absolute need of the new machines, and of commercial fertilizers and other material for his farm. Farm supplies were generally sold through agents and on credit, and the farmers complained that the interest charged for the credit afforded was exorbitant, that the agents made huge profits although their work was "unproductive" — the farmers were inclined to believe that the term applied to all work except farming, — and that the manufacturers, protected by patents, enjoyed a legal monopoly and exploited the farming classes.

And again the farmers had a good deal of reason upon their side, though they sometimes overstated their case. There were a great many scandals connected with patent rights and their renewal, and the manufacturers succeeded in foisting a huge amount of worthless machinery upon the farmers while the latter as a class were as yet very inexpert in the matter of machinery of any kind. Moreover, the fact that the farmers, after the foundation of the Grange were able by collective bargaining to secure substan-

tial reductions, amounting often to from 25 to 50 per cent. in the prices of farm and household supplies of all kinds, is at least an indication that ruling prices had previously been unfairly high.

The disturbed state of the currency and the high taxation, both of which were legacies from the war, were fruitful causes of discontent throughout every class in the country, though the farmers were inclined to think that they suffered more than other classes. In so far as they were large borrowers, the currency changes did affect them in a special degree.

During the period of which we are speaking the paper currency, measured in terms of gold, was rapidly appreciating, and this had the effect of increasing the burden of debt upon the farmers. Debts incurred in heavily depreciated paper currency had to be repaid in currency of greatly increased value (1).

With respect to the burden of taxation the farmers were in much the same position as other classes in the comunity, though in the case of State and local taxes, which were practically all direct taxes on real and personal property, the farmers thought that while their property, being clearly in sight, was invariably taxed at its full value, much personal property in the possession of corporations and private individuals in towns escaped taxation altogether. National taxation was levied principally by heavy duties on imported goods, and the high tariff (imposed first as a war measure but continued after the war to protect America's infant industries) obliged the farmers to pay enhanced prices for manufactured articles, while it offered them no compensation in the form of higher prices for agricultural products. Year after year the supply of such products exceeded the demand, and the prices which the farmer received were determined by the price which the surplus would fetch when thrown upon the world's markets.

We have seen, so far, that at the close of the Civil War the American farmer was throughly dissatisfied with his economic position and prospects. He was at least equally dissatisfied with his political and social position, and complained loudly that he was not fairly represented either in Congress or in the State legislatures. During the war, the mercantile and manufacturing classes of the North had gained upon and passed in political importance the agricultural classes, represented by the Southern planters. The farmers felt the loss of their position the more because the planter class

(1) The average annual value (in gold) of $ 100 currency from the suspension of specie payments in 1863 to resumption in 1878 was as follows:

Fiscal year	Value	Fiscal year	Value
	$		$
1863	72.9	1871	88.7
1864	64.0	1872	89.4
1865	49.5	1873	87.3
1866	71.2	1874	89.3
1867	70.9	1875	88.4
1868	71.5	1876	87.8
1869	72.7	1877	92.7
1870	81.1	1878	97.5

had been conspicuous for the ability of its members and for the power it wielded just before the war.

There can be no doubt but that the farmers resented keenly their diminished political and social prestige. They knew that they outnumbered any other class in the comunity, and yet felt that they were being forced into a position of inferiority. Their weakness, they concluded, lay in the fact that they were unorganised, and a widespread movement arose in favour of organisation. There had been signs of the movement even before the war and a Farmers' Convention held at Centralia, Illinois, in 1858, may be said to mark its beginning. The resolutions passed at that convention indicate that in 1858 agricultural discontent was already making itself felt, and that the causes were mainly economic. Resolutions were passed declaring that crises were the result of the operations of middlemen and speculators, and demanding that direct relations be established between producer and consumer. The Centralia convention was the first of a series of such conventions. Others were held at Bloomington, Ill, in 1869, at Washington, D. C. in 1872, at Springfield, Ill. and Chicago in 1873. Meanwhile, however, the Grange had been founded, and we shall see how the farmers' aspirations became centred in this remarkable organisation.

§ 2. The origin of the Grange.

The Grange was founded as a secret fraternal order in December, 1867, in Washington, D. C., by Oliver Hudson Kelley who was at the time a clerk in the Government service. Early in 1866, upon the request of the United States Commissioner of Agriculture, Kelley made a tour through the Southern States for the purpose of collecting information as to their agricultural resources and drawing up a report thereon. He was a man of quick and ready sympathy and of fertile imagination, and the sight of the ruined buildings, the neglected fields, and all the devastation caused by the war affected him keenly. So, too, did the discontent and bitterness of spirit which he found among the farmers, and during the tour itself he conceived the idea of a fraternal organisation for the men and women directly interested in cultivating the soil, which should unite North and South in building up the fortunes of agriculture, the industry upon which the progress of the country so largely depended.

Kelley was a Mason, and he immediately comunicated his ideas while they were still indefinite to two of his colleagues and brother Masons in Washington, — W. M. Ireland and John Trimble. These three, in collaboration with four other men, — William Saunders, John R. Thompson, Francis M. Mc Dowell and the Rev. A. B. Grosh — elaborated the scheme, framed a constitution, compiled a ritual, and finally brought the organisation into being by constituting themselves the "National Grange of the Patrons of Husbandry", with O. H. Kelley, who was the moving spirit throughout, as Secretary. The founders, in fact, formed themselves into a central controlling body, and Kelley, who seems to have been endowed with indomit-

able energy and inexhaustible powers of resource, undertook the task of creating an organisation for the central body to control.

The constitution of the Order provided for the formation of subordinate and State "Granges." It had first been proposed to call the individual organisations "Lodges," but fortunately the distinctive name which has become so well known was ultimately selected. Each subordinate Grange was to consist of at least nine men and four women, and fifteen subordinate Granges in any State might apply for the organisation of a State Grange.

The Order was to be a secret one, and the founders compiled an elaborate ritual which in its final form, — it was not completed until the National Grange had been in existence for some years, — provided for the constitution of seven degrees, of which the first four could be conferred by the Subordinate Granges, the fifth was to be conferred by the State Granges, and the two highest by the National Grange. These are the degrees still recognised and conferred. When the Grange was at the height of its popularity there was a strong movement among the members for the abolition of the higher degrees, but the only result was that these degrees were rendered somewhat less exclusive. The four subordinate degrees for men are distinguished as: Labourer, Cultivator, Harvester and Husbandman; and the corresponding degrees for women as: Maid, Shepherdess, Gleaner and Matron. The fifth degree is "Pomona"; the sixth, "Flora"; and the seventh (the highest) "Demeter" or "Ceres". The fifth degree is conferred by the State Granges upon the "Masters" of Subordinate Granges, and their wives if Matrons. The sixth degree is conferred by the National Grange upon the Masters of State Granges. Members of the sixth degree constitute the National Council, and a member who has served for one year upon the National Council is entitled to take the seventh degree and become a member of the Senate of the Order.

The fact that the Order is a secret one seems to have no particular significance. One well-informed writer (1) who is a member of the Grange says that the Order is secret mainly in the sense that it has a secret ritual, not guarded with much care, and passwords changed at regular intervals. Further, he explains that there is an "economic reason" for the ritual. The members pay small dues upon initiation into each degree, and this is practically the only means of securing an income to meet expenses. The dues are trifling, but they are regular, and we shall see presently that, in the early days of the Grange, the device was a huge financial success.

Kelley and his friends had constituted themselves the National Grange of the Patrons of Husbandry on December 4th, 1867. Saunders was elected "Master" while Thompson took the office of "Lecturer". Kelley became Secretary, with his niece Miss Caroline A. Hall as his assistant. The founders were still at work upon the preparation of the ritual and had not yet decided with anything like precision what objects were to be included in the programme of the new Order. From a circular issued by the National

(1) Edward F. Adams: *The Modern Farmer*.

Grange in 1870 (1) we learn that the Grange was intented, first, to promote social relations among the farmers and secure association "for individual improvement and common benefit" and that the advantages it offered included "systematic arrangements for procuring and disseminating, in the most expeditious manner, information relative to crops, demand and supply, prices, markets and transportation throughout the country; also for the purchase and exchange of stock, seeds, and desired varieties of plants and trees, and for the purpose of securing help at home or from abroad, and situations for persons seeking employment; also for ascertaining and testing the merits of newly invented farming implements, and those not in general use, and for detecting and exposing those that are unworthy, and for protecting, by all available means, the farming interests from fraud and deception and combinations of every kind."

Immediately after the establishment of the National Grange, Kelley formed a subordinate Grange in Washington which served as a kind of school of instruction and gave the founders an opportunity of practising and testing the ritual.

In November, 1867, three hundred printed circulars had been sent out to farmers and as a result Kelley had begun to correspond with a number of people who were interested in the new farmers' organisation. A second circular was sent out early in 1868 and a beginning was made in the direction of advertising the Grange by means of letters to the newspapers. In February, 1868, Kelley resigned his position in the Post Office Department to devote himself entirely to the task of organising the Grange. It had been laid down that the National Grange was to issue "dispensations" for the formation of subordinate Granges and charge for each dispensation a fee of fifteen dollars. Kelley after some correspondence conducted from Washington decided that the time was opportune for propaganda among the farmers, and determined to set out for Minnesota, where his home was, and organise Granges upon the way. The National Grange met, and in addition to furnishing him with a letter of authority voted him a salary of two thousand dollars a year and travelling expenses, to be paid out of the fees (if any) which he collected from the sale of dispensations.

We shall see next how he succeeded in his mission.

§ 3. The rapid growth of the Grange.

Kelley from the outset was left very much to his own devices, which perhaps was fortunate, though he complained at the time of the apathy of his co-founders in Washington. On his trip to Minnesota he disposed of four dispensations for the foundation of subordinate Granges, but only one of these Granges ever came into being. This was the Grange of Fredonia, New York, the first in the country to be regularly established according to the constitution and rules drawn up by the National Grange. Kelley remain-

(1) Reprinted in Darrow: *Origin and Early History of the Order of Patrons of Husbandry*, pp. 31-32.

ed at his home in Itasca, Minnesota, for some time, endeavouring by writing and by interviewing people to work up interest in the Order. He had made a false move at the start by trying to introduce the Grange into the towns, but he soon saw his error and began to address the farmers directly, enlisting the services of agricultural papers such as the *Prairie Farmer* of Chicago, the *Farmers' Union* of Minneapolis, and the *Rural World* of St. Louis. The circulars which had been written were revised and emphasis was laid upon the opportunities offered by the Grange for collective action among farmers in purchasing stock, machinery, etc., in testing the merits of new implements and machinery, and in establishing depots for the sale of produce. This appeal was successful. Granges began to spring up in Minnesota, and the first State Grange was established in that State in February, 1869. Shortly after its foundation this Grange appointed a purchasing agent for the co-operative purchase of agricultural machinery and supplies. It is worth noting, in view of the history of the purchasing agent system, that the members in Minnesota took this step without the sanction of the National Grange. The example of Minnesota was followed by other State Granges as they came into existence and collective purchases by the Order of supplies of every kind soon reached huge proportions and attracted an enormous amount of attention. But the so-called purchasing agent system had been hastily conceived. The agents in most cases were men without even the pretence of a business training, and their incapacity in the handling of comparatively simple business transactions served in the end to bring the Grange into discredit. We are to some extent anticipating the history of the Order, and the first result of the appointment of purchasing agents was to arouse interest in the movement.

For another two years, however, progress was slow although there were not wanting signs that public interest was growing, and Kelley was writing to people of all kinds. In March, 1869, he left Minnesota upon a visit to the Eastern States, and on April 13 th of that year the National Grange held its first annual session in Washington. "It listened to the report of the Secretary on the work accomplished, enacted a few laws for the regulation of the Order, and then relapsed into inactivity." (1)

Kelley returned to Minnesota, but from his home as centre he made constant trips into various States. He visited in turn, Iowa, Illinois, Indiana, and Ohio, and succeeded in founding a few successful Granges in each of these States. He showed wonderful ingenuity as an organiser. He was not a successful speaker ; but he seems to have had the knack of picking out the right men to help him in each locality, and he did not hesitate to stimulate the enthusiasm of the local leaders by referring frequently, in tones of exaggerated respect, to the National Grange in Washington, — the central directing body of the Order. His plan was to start a few active Granges in a State and then organise a temporary State Grange, the Master of which would appoint deputies to organise Granges in different

(1) S. J. Buck : *The Granger Movement*, p. 47.

districts. The deputies received travelling expenses and a fee of from five to fifteen dollars for each Grange organised.

The initiation fee was usually three dollars for men and fifty cents for women. Out of the fees collected from the first members, — who are known in the Order as "charter" members, — the sum of fifteen dollars was paid to the National Grange; the deputy's dues were paid; and the remainder went into the treasury of the new Grange. In some cases the State Grange also levied a small fee upon each subordinate Grange founded.

By the end of 1870, Kelley and the deputies has succeeded in establishing 71 Granges in nine States. (1) No less than 47 ot the Granges were in Minnesota which had also the only active State Grange. During 1871, the Order was extended into seven other States (2); one hundred and thirty-two subordinate Granges were founded, and two additional State Granges were established, in Iowa and Wisconsin. In this year the movement made enormous progress in Iowa and at the end of the year that State headed the list with one hundred and two Granges. Minnesota added only some seven Granges during the year.

In the following year the Grange made more vigorous progress and 1,150 new Granges were organised, of which more than half were in Iowa. The North Central group of States was the stronghold of the Order, but it was well represented in South Carolina and Mississippi, and it had been introduced in the West into both California and Oregon, so that it had already some claim to be considered a national farmers' organisation. Interest in it was becoming much keener, chiefly because Kelley and the men who were working with him were beginning to hold out to the farmers the promise of pecuniary advantages to be gained by membership. As early as 1870 Kelly had noted the anti-railway feeling among the Illinois farmers and, through the help of the editor of the Chicago *Prairie Farmer*, had made use of this feeling as an argument for organisation. In 1872, the business agent of the Iowa State Grange was attracting attention by his success in conducting co-operative buying and selling transactions for the members. In the South the movement had met with considerable opposition from commission men and local merchants, and such opposition naturally proved an effective advertisement for the Order. "Co-operation!" and "Down with monopolies!" became popular watchwords which attracted into the Grange ranks a very large number of farmers suffering from a vague discontent against railway companies, manufacturers and selling agents.

The period of most rapid expansion and of widest popularity, however, was still to come, and before it arrived an important change was made in the organisation of the Order. In January, 1873, Kelly convened the sixth annual session of the National Grange in Georgetown, D. C., and at this session the founders resigned in a body. A new set of officers was elected; the constitution and by-laws were revised; and the Order, free of debt and in a flourishing condition, passed into the control

(1) Minnesota, Iowa, Indiana, New York, Missouri, Ohio, Tennessee and California.

(2) Wisconsin, Pennsylvania, South Carolina, Mississippi, Vermont, Kentucky and New Jersey.

of representatives of the farmers. In addition, the Order was given a definite legal status as a corporation registered under an act of Congress of 1870. The certificate of incorporation is dated January 10th, 1873, and is signed by six out of the seven founders. Saunders, who had been Master of the National Grange since its fundation, resigned that Office but contlnued to serve upon the Executive Committee. Kelley was reappointed Secretary with his niece Miss Hall as " Lady Assistant Steward. "

Duiing 1873, the number of Subordinate Granges in the whole country increased from 1,362 to 10,029, and the number of State Granges from 10 to 32. More than a thousand State deputies were engaged in the work of organisation, and (except perhaps in the North Atlantic States) the farmers were enthusiastic in supporting the Order. In October, 1873, there were only 92 Granges in the North Atlantic States (1), as against 578 in the South Atlantic group, and no less than 5,671 in the North Central group. Even in the sparsely populated Western States there were, at the same date, 135 Granges in existence.

The fact that farmers in the North Atlantic States remained for the most indifferent to the movement indicates to what extent economic considerations had become of primary importance within the Order. The farmers in the East were already suffering from the opening up of new lands in the Centre and West, and they were naturally out of sympathy with what was at the time one of the principal objects of the Grange, namely, the reduction of the cost of transport of agricultural produce from the North Central States into the markets of the East. Later on, when the eastern farmers had taken up dairy-farming and market-gardening and thus escaped, to a great extent, from the pressure of the competition of the new lands, and when, also, the Grange had returned to its original ideals of social and educational betterment, the Order made good progress in the North Atlantic States.

It is generally agreed that the seventh annual session of the National Grange held in St. Louis from February 4 th to 12 th, 1874, marks the culmination of the progress and influence of the Order (2). In the next year the

(1) Maine, New Hampshire, Vermont, Massachusetts, Connecticut, New York, New Jersey and Pennsylvania.

(2) In this connection the following figures are interesting. They show the number of new Granges organised monthly from January, 1873, to September, 1876, inclusive.

	1873	1874	1875	1876
January	158	2119	306	109
February	338	2239	286	108
March	666	2024	361	117
April	571	1487	309	88
May	666	937	242	58
June	623	752	170	45
July	611	419	125	32
August	829	366	125	21
September	917	412	89	12
October	1050	410	92	
November	974	363	103	
December	1235	383	100	

decline had already begun, but throughout the whole of 1874 the power of the Grange was immense and its prestige seemed unassailable.

At this session, which was attended by forty-five delegates, twelve of whom were women, a "Declaration of Purposes" was drawn up and adopted. It is a somewhat rambling document but is interesting as the first authoritative statement of the Grange programme. It declared the duty of all Patrons of Husbandry to be to labour for the good of their Order, their country and mankind, following the principles expressed in the motto: "In essentials, unity; in non-essentials, liberty; in all things, charity." (1) Then followed a list of specific objects, and the exposition of some rather vague guiding principles. Patrons bound themselves to work to increase the comfort and attractions of their own homes, and for the maintenance of the laws, the reduction of expenses, co-operation in buying and selling, and the diversification of crops. They declared themselves opposed to "the credit system, the fashion system, and every other system tending to prodigality and bankruptcy."

The Declaration stated that the Patrons waged no warfare against other interests and were not enemies to capital, but were nevertheless in favour of reducing the number of middlemen and were opposed to the tyranny ofmonopolies, to high rates of interest, and to exorbitant profits in trade.

The progress of education, and especially of agricultural and technical education, was declared to be one of the most important objects of the Order.

Some changes in the constitution were made at the same session. The State Granges and the National Grange were made more strictly delegate bodies, and provision was made for the formation of District or County Granges which, it was intended, should develop the business side of the Order and direct its educational activities. In addition, the article relating to membership was changed to read: "Any person engaged in agricultural pursuits *and having no interest in conflict with our purposes*, of the age of sixteen years, is entitled to membership." The circumstances which made the last amendment necessary were somewhat curious. The Order, as founded, had been open to all persons interested in agriculture, but when the Grange began to make rapid progress and to acquire both economic and political importance, a large number of people succeeded in entering the Order who were obviously out of sympathy with its aims. Thus, the Boston Grange, organised in August, 1873, was composed almost entirely of grain dealers and commission men. As it was part of the Grange teaching that dealers and middlemen of all kinds were in the main superfluous, the formation of the Boston Grange raised a storm of protest from other Granges, and its dispensation was revoked. Similarly the dispensations of a number of other Granges were revoked on the grounds of the ineligibility of their members.

(1) This is not (it may be remarked) the official Grange motto, though it is one which is frequently quoted and approved in proceedings of the Order. The official motto is "*Esto perpetua.*"

In February, 1874, when the seventh annual session was held, there were over ten thousand subordinate Granges in the United States and the total membership of the Order was somewhere about half a million. On March 1st, the number of Granges had increased to over fourteen thousand; on September 1st it had reached twenty thousand; and at the end of the year there were more than twenty-one thousand subordinate Granges in at least nominal activity. But the wave of prosperity had by this time spent its force, and immediately afterwards it began to recede.

§ 4. The period of decline.

What occurred between 1875 and 1880 was really more than a decline in the fortunes of the Patrons of Husbandry: it was something like a total collapse of their Order. Figures as to membership after 1876 are lacking, but a sure index of the number of members is available in the amounts paid in annual dues to the National Grange. In 1875, these dues amounted to almost forty-three thousand dollars. By 1880, they had fallen to just over six thousand, representing probably some four thousand Subordinate Granges and about a hundred and fifty thousand members, all told. In October 1875, the membership had been 758,767, and earlier in that year the numbers had probably been even higher. (1)

The causes which led to this sudden fall from popularity are now quite clear. The decline was to a great extent the natural reaction from a too sudden prosperity, and revealed the fact that the rapid growth of the movement had been largely unsound. The Grange had been founded by a number of able, clear-sighted, conservative men who had warmly at heart the good of their country, slowly recovering at the time from the effects of a terrible war, and who sincerely wished to advance the interests of the farming classes, — materially and morally, but especially morally. The Order thus founded achieved a popularity which it would be idle to pretend was due solely to the attractiveness of its sober programme of industry, thrift, just dealing, neighbourliness and self improvement.

The fact is that the Grange appeared upon the scene at the right moment, when the idea of organisation had been in the air for some time; it adopted a novel form of organisation and novel methods of extending the Order; and it made a strong impression upon a great many people by keeping secret its internal administration. Thousands joined the Grange while it was extending rapidly, without any reference to its programme and merely because it was a farmers' organisation, each new member looking to it to secure the removal of his own particular grievances.

(1) The *number of Granges* at least had been considerably higher. On January 1st, 1875 there were 21,697: on October 1st the number had already fallen to 19,097.

The method of organising through deputies upon the principle of " payment by results" was thoroughly bad, although it was a huge financial success. It led to a great many people becoming members of the Grange who not only had no interest in common with the Order but who had interests directly opposed to its declared objects. Mention has been made of the Boston Grange which was composed of grain dealers, but the people who really did most harm to the Grange were the unscrupulous politicians who identified themselves with it in the hope of making it serve as a party weapon. These, after assiduously cultivating the goodwill of the Order while it was in high favour, were the first to cut themselves loose from it at the first hint of waning enthusiasm among the farmers. To these must be added the much larger group of people who had joined the Grange merely because of the novelty of its methods of organisation, and who naturally dropped out as soon as the novelty had worn off.

But there was a deeper cause for the dissolution of the Grange. This was the sudden and complete collapse of all its co-operative schemes. In 1874 and '75 co-operative trading became a positive mania with the Patrons. Co-operative buying had proved really successful in Iowa almost from the foundation of the Order in that State, and Patrons all over the country wanted to follow the example of the Iowa State Grange. They overlooked the fact that, as all the farmers in Iowa raised grain, the problem of buying supplies for them was a simple one. State and County Granges in every part of the country rushed into co-operative schemes. Buying and selling agencies were established ; co-operative flour-mills, elevators, tobacco and grain warehouses were built or leased; patent rights were bought up, and arrangements were made for manufacturing within the Order all the machinery which the members required. The Executive Committee of the National Grange at one time entered into negotiations with certain co-operators in England and it was agreed to found a company to be known as the " Anglo-American Co-operative Company" which was to establish warehouses in the seaboard States and supply every article of clothing and every farm implement needed by the Patrons at a discount of 10 per cent. — the Grange subscribing one hundred and twenty-five thousand dollars towards erecting the warehouses. Fortunately, before the scheme was completed the failure of a number of local entreprises cooled the enthusiasm of the leaders, and the National Grange, which had been making experiments in co-operative buying, began to issue warnings to the State Granges to proceed more slowly in the matter of co-operation.

The warning came too late. The State Granges finding themselves with large funds at their disposal had launched into enterprises of all kinds on their own account, in addition to granting liberal subsidies to the co-operative ventures of their subordinate Granges. A few of the schemes were sound : the majority never had any prospect of succeeding, and served merely to deplete the Grange of funds and bring the Order into ridicule. The New York Grange started a " State Women's Dress Agency", but the Patronesses were disloyal and bought their dresses elsewhere, and the Agency came to an untimely end. One enterprise after another ended in disaster. Subord-

inate and County Granges hastily dissolved lest they should be held responsible for the debts of the State Grange, and in some cases (in Nebraska and Arkansas, for example,) the whole Grange organisation collapsed. On every hand people were loud in disavowing all connection with the Patrons of Husbandry.

Another cause contributed powerfully to bring the Order into discredit, namely, the failure of the anti-railway agitation of 1874 and 1875, which had for its object the regulation of the railways by the State and the reduction of the rates charged. The agitation began in Illinois and was conducted by the "State Farmers' Association" an organisation quite distinct from the Grange. The local units of the "State Farmers' Association" were known as "Farmers' Clubs", and though the National Grange and many State Granges declared that they were in no way hostile to railways, yet a great many of the Grangers were at the same time members of the Farmers' Clubs and the agitation is generally known as the "Granger movement." Illinois was the first State to pass a law regulating the rates which railways might charge and restricting the freedom of action of the companies in a number of ways. By 1874, seven States had passed similar laws, — the so-called "Granger" laws, — some of which seemed designed to crush the railways out of existence. The validity of the whole of this legislation was impugned, but the Supreme Court upheld the States and declared the Granger laws valid. The farmers' legal victory, however, availed them nothing. By the time the Supreme Court had arrived at a decision scarcely one of the statutes in dispute was still in force. The railways, hampered by restrictions, had ceased to pay dividends; capitalists refused to invest money in the companies; no new lines were built, or even projected; and the service was reduced as far as possible in order to cut down costs. One State after another hastily repealed the Granger laws, and the men who had been prominent in passing them retired from public life discredited. Much of the odium of the agitation fell, not altogether unjustly, upon the Grange, and hastened its collapse.

Returning to the official acts of the Order we find the National Grange taking a very unwise step in its annual session held at Charleston in 1875. At that session it was decided to distribute $55,000 of National Grange funds among the subordinate Granges. Nothing could have been more ill-advised, for the only result was to weaken the National Grange without benefiting in the slightest degree the subordinate Granges, — each of which received about $2,50. This step damaged the Order morally even more than materially, by revealing to the outside public the fact that there was dissention within the ranks. The agitation for the distribution of the funds was led by the newly-joined members who had but little interest in the permanent welfare of the Order, and were jealous of the power wielded by the National Grange and by the members who had risen to the higher degrees. It was proposed, in the same session, to abolish the higher degrees entirely upon the ground that they were contrary to the true spirit of democratic government which should rule in an American institution. Fortunately for the future good guidance of the Order this proposal was defeated, though

the higher degrees were made more accessible, — a change of no great moment.

We have already show to what extent the strength of the Order declined between 1875 and 1880. Actually the lowest point in the fortunes of the Patrons of Husbandry seems to have been reached in 1879, for the dues paid into the National Grange in 1880 already showed a considerable advance over the previous year. For some ten years the Order remained almost inactive and then a period of renewed prosperity began.

We shall deal with the later progress and work of the Order in a subsequent paper.

(*To be continued*).

GREAT BRITAIN AND IRELAND.

CO-OPERATIVE CREDIT SOCIETIES IN ENGLAND AND WALES.

OFFICIAL SOURCES :

THE JOURNAL OF THE BOARD OF AGRICULTURE, December 1911 : January 1914 and March 1915.

OTHER SOURCES :

OLIVIER (Sir Sydney), K. C. M. G. : Agricultural Co-operation and Credit. In the *Contemporary Review*, March, 1914.

REPORTS OF THE AGRICULTURAL ORGANISATION SOCIETY for the Eighteen Months ended June 30th., 1912, for the Nine Months ending March 31st., 1913, and for the Year ended March 31st., 1914.

Compared with the progress of other forms of agricultural co-operation in England and Wales the progress of agricultural co-operative credit has been disappointingly slow. In spite of the earnest advocacy of Mr. Henry W. Wolff and other writers and of an active propaganda conducted first by the Agricultural Banks Association and afterwards by the Agricultural Organisation Society and latterly supported by the Board of Agriculture, the number of co-operative credit societies still remains small and their total business comparatively trifling.

It was expected that with the increase in the number of small holdings through the operation of the Small Holdings and Allotments Acts, there would be an increase in the demand for credit societies and to some extent this anticipation has been justified, for the progress in recent years has been slightly accelerated.

In 1908, seven societies were formed ; in 1909 ten ; in 1910, ten ; in 1911, six ; in 1912, six, and in 1913, eight. The actual number of societies did not, however, increase at this rate, since a certain number never did any business and were dissolved.

In 1910 the number of societies was nominally 40, but the number of working societies (that is societies which granted loans or received deposits) was only 21. In 1912, there were 46 societies on the Register, of which only 30 were working. In 1913, the number of registered societies increased to 53, but the number of working societies remained the same as in 1912.

Taking account only of the working societies we have the following comparative statement for 1910, 1912, 1913. (The corresponding figures for 1911 are not available).

Summary of Working of Credit Societies in 1910, 1912, 1913.

Year	Working Societies	Members	Loans granted during year		Deposits received	Profit to end of year
			Number	Amount		
				£	£	£
1910	21	536	119	1,390	237	253
1912	30	723	197	2,025	332	297
1913	30	796	165	1,832	521	323

In 1913, 26 societies made loans to their members and 9 of these also obtained deposits. Three societies received deposits but made no loans. The total deposits held at the close of 1913 amounted to £1,225, which is 55 per cent of the total outstanding loans, £2,221. The usual rates of interest paid on deposits are 3 and 4 per cent. For bank overdrafts 4 and 4 ½ per cent are the common rates. As the societies usually charge only 5 per cent on loans to members, the annual profits are very small and a proper reserve is not built up.

It will be interesting to note the reasons why, in the opinion of those who have studied the question, the progress of co-operative agricultural credit in England and Wales has not been more rapid.

Amongst those who have written on the subject is Sir Sydney Olivier, K. C. M. G., the Secretary of the Board of Agriculture and Fisheries, who contributed an article entitled "Agricultural Co-operation and Credit" to the *Contemporary Review* of March, 1914. In this article Sir Sydney said:

"The branch of agricultural co-operation which has, perhaps, attracted lately more general interest than any other, among students of the co-operative movement, is that concerned with agicultural credit, specially identified with the Raiffeisen banking system; though there are other important varieties. The development of co-operative banking in England and Wales has been small, whilst in Germany and other Continental countries it has been enormous. I frequently encounter indications of a feeling amongst those who are seeking means to improve the conditions of rural life, that agriculture in England must be suffering from the absence of a corresponding development here, and strenuous efforts have been made to diffuse understanding of its advantages. But the fact is that the clientele of the special character for which co-operative banking is most helpful is smaller in England in comparison with the general body of farmers even than the class for whom other forms of agricultural co-operation have

proved effectually attractive and proportionately less than in any other European country.

" Almost every farmer of substance and reputation sufficient to enable him to obtain the tenancy of a farm can get such credit as he requires, on not very onerous terms, from a Bank (1). If he does not get an overdraft at his Bank, he may get advances from dealers to whom he will sell his produce. For implements and supplies he can get long credit from the vendors. The great majority of our farmers are not in so small a way of business as to be driven into co-operation as a *sine qua non* of credit, as peasant proprietors very generally are ; nor are they, as is the peasant proprietor almost everywhere, oppressively and usuriously dealt with by those who lend them money on the expectation of their crops, or give them long credit for goods, though this dependence is far from thrifty. And as they do not own the land they farm, or the buildings on it, they cannot contribute the security which is the basis of the credit of a Land Bank. "

In its Report for 1911-12 the Agricultural Organisation Society noted that the principal difficulty experienced by credit societies was that of obtaining the necessary capital to meet the requirements of their members and expressed the hope that when that difficulty was satisfactorily met, credit societies would increase in England and Wales as rapidly as they had done in other countries.

With the object of facilitating " registered co-operative credit societies, consisting mainly of small holders and allotment holders " in obtaining capital and otherwise assisting their formation and working the Board of Agriculture entered, in January 1913, into an arrangement with twenty large banking companies, having numerous branches in rural districts.

The principal clauses of the understanding were as follows :

" The banks named are willing that the manager of any of their country branches should have permission to assist in the formation of such a society ; with liberty to give advice to its officers on matters of book-keeping ; and to take part, when requested, in the audit of the annual return without remuneration. They will also favourably consider the acceptance by their managers of the post of unpaid Treasurer, provided that it does not involve membership of the Society.

" These banks are prepared to allow to such a society as good rates as possible for money in their hands.

" They will also be prepared to give favourable consideration to applications from such societies for advances, but will require in each case to be satisfied as to the security for the loan, and although they will require it to be made repayable on demand, they will in general practice be ready to lend for twelve months, and the loan will then be subject to repayment, renewal or reduction. If satisfied that the joint liability of the members of the society under its rules constitutes an adequate security for a proposed

(1) That is to say, from a capitalist bank, either a private banking firm or (more generally) a joint-stock bank.

loan, the bank will require no further guarantee for its repayment. In considering the question of security it should be borne in mind that, under the model rules for a society registered under the Friendly Societies Act, every member of the Society is, equally with every other member, jointly and severally liable for all debts incurred by the society.

" The rate of interest to be charged on approved advances to such societies will be a favourable fixed rate, subject to a year's notice of alteration. "

The Report for 1912-13 of the Agricultural Organisation Society contains a statement of the reasons which " may be advanced as affording a partial explanation of the comparatively small progress made. " They are as follows :

" (1) The fact that the rural districts of England and Wales are not burdened by the usurer to the same extent as in many foreign countries and Ireland.

" (2) The extent to which England and Wales are served by joint stock banks as compared with continental States.

" (3) The unpopularity in England of the principle of unlimited liability.

" (4) The unwillingness of the average farmer and small holder to disclose his financial position to his neighbours when he wishes to borrow.

" (5) The general custom of merchants to give long credit to agricultural customers.

" (6) A general preference on the part of cultivators to obtain goods on credit rather than to borrow actually in cash.

" (7) Lack of enthusiasm on the part of the class of men required to undertake the responsibility of acting on committees and the scarcity of keen and properly qualified men to act as secretaries.

" (8) The difficulty of financing societies if formed. "

Examining these points in greater detail the Report continues : -

" (1) The need for credit facilities undoubtedly exists, but England (in Wales, perhaps, the conditions are somewhat worse) does not groan under the intolerable yoke of the worst kind of village money lender to anything like the same extent as do other countries. In these the Raiffeisen principle has come as a relief to an urgent necessity and therefore has been welcome.

" (2) With the single exception of Scotland, England for the number of inhabitants is served by a greater proportion of joint stock banks and their branches than any other country in the world. Generally speaking, the country branches of the joint stock banks to a certain extent undoubtedly do enable cultivators to obtain loans on reasonable terms — both with regard to the rate of interest charged and the nature of the security demanded.

" (3) Experience shows that in England there is great hesitation to take part in a scheme which entails no limit to the liability of individual members. The fact that the liability under the Raiffeisen system is really only nominally unlimited is a point which is not readily appreciated in a

country where liability limited by share capital is practically universal in commercial undertakings.

"To meet this particular objection, model rules have recently been prepared for credit societies in which the liability of individual members is limited either by guarantee or by share capital and it will be interesting to see whether this modification will be instrumental in making co-operative credit more popular in England and Wales.

"(4), (6), (7) These do not call for particular comment.

"(5) The willingness on the part of merchants to sell goods on credit tends to give the impression to the farmer that he is relieved of the necessity of borrowing actual cash. While no doubt a large number of private firms would be glad to see a restriction of this system and would then be in a position to sell on terms more advantageous to the buyer, it often has the effect of placing the cultivator under obligations to unsatisfactory middlemen. This applies particularly to the more isolated districts and Wales suffers still more in this respect than England.

"The existing indebtedness of farmers to traders and the expectation that co-operative trading societies ought to give similar concessions with regard to purchasing on credit are two factors which greatly impede the further spread of co-operative trading as well as the work of existing societies.

"(8) With the object of acting as a central body to assist in providing credit societies with funds wherewith to make loans to the members, a Central Co-operative Agricultural Bank was established in 1908 in connection with the A. O. S. Movement. Since its formation the Central Co-operative Agricultural Bank has made loans to the total amount of £1,100, but many of these were made in the first case for one year only and have been several times renewed, so that its transactions are considerably more in amount. In view of the proposed legislation and the negotiations entered upon by the Board of Agriculture and Fisheries with the joint stock banks for loans to be made by the latter to the credit societies, the policy of the Central Bank has necessarily been a cautious one for the past two years, when considering the question of granting fresh loans. Prior to its formation the greatest difficulty was often experienced by the societies in obtaining the necessary funds to lend to their members."

The arrangements made by the Board of Agriculture with the joint stock banks seem to have been only partially successful as a means of supplying credit societies with capital.

"Sufficient time has not elapsed," says the 1913-14 Report of the Agricultural Organisation Society, "since these arrangements were completed for any pronouncement to be made as to whether, generally speaking, they can be said to have provided a satisfactory solution of the difficulty, but during the last year certain co-operative credit societies have approached lending banks for advances or overdraft, and in a number of cases it is satisfactory to report that a sympathetic response has been obtained and financial assistance given."

In the March number of the *Journal of the Board of Agriculture*, however, reference is again made to the difficulty of obtaining capital as an obstacle to the progress of the co-operative credit movement. "Notwithstanding the arrangement made between the Board and the lending joint-stock banks," we are told, "it is not always easy to get power to overdraw unless repayment is guaranteed by some individual member or members."

Nor does the proposal to form credit societies with limited liability appear to have met with much favour. Two sets of model rules for limited liability societies have been issued. The Board of Agriculture has issued rules for societies with liability limited by shares; the Agricultural Organisation Society rules for societies with liability limited by guarantee. Yet in the article in the *Journal of the Board of Agriculture* just quoted we are informed that "all existing societies are registered under the Friendly Societies Act and the liability of the members is unlimited." "It may be doubted," continues the article, "whether the nature of the liability has much effect one way or the other on the popularity of small rural societies."

Yet another effort for the development of co-operative credit has been the issue by the Agricultural Organisation Society of model rules for societies which combine co-operative credit with co-operative trading. It is proposed that such a society should be called a "Thrift and Credit Society." It would, however, be a form of society suitable only for operations on a small scale, and if its business become large it is proposed that it should be divided into two separate societies confining themselves respectively to trading and credit. The Agricultural Organisation Society also holds out hopes of other proposals with the object of popularising a sound and workable system of agricultural credit in England and Wales.

NORWAY.

SOME FORMS OF AGRICULTURAL CO-OPERATION IN NORWAY.

§ 1. Introduction.

Agricultural co-operation began in Norway later, and developed there more slowly and more laboriously than in the other Scandinavian countries. For this we must not blame a highly cultured people: it is to be attributed to natural obstacles and difficulties which have created special economic conditions as well as particular national habits and peculiar dispositions of mind. The soil on which the co-operative institutions had to take root was not, as in the rest of Scandinavia, ready for the good seed.

It is not easy to co-operate in a country where Nature seems to have wished to hold men apart from each other, divided as it is by bleak chains of mountains, deep *fiords* between inaccessible cliffs, rushing torrents, forests, deserts of ice and snow. The stretches of land from which man is able to draw sustenance through cultivation are scattered over a vast territory: large and small islands, as it were, in the midst of this sterility. Of the surface of Norway, 322,605 square kilometres, (124,130 square miles), only about 9,208 km., (2, 9 %) are adapted for cultivation, the remainder consists of bare mountain (69,2 p. c.), snow and ice, heaths, marshes and forests (21, 1 %).

As the holdings are scattered and far distant from one another, the farmer in Norway, more than in any other country, is forced to be isolated. In the region of the *fiords* where the small farms are placed thickly together on short terraces left, as it were, by the caprice of Nature on the cliffs which descend brokenly to the sea, the farmer lives month after month without being able to communicate with his own kind. And even when the Norwegian farmer does not find himself placed in this extremity of isolation he is still always confronted with grave difficulties in the transport of his produce. If, on the one hand, the scarcity of the population has made it economically barely profitable to undertake railway construction; on the other, such construction is very costly because of the natural obstacles wich must be overcome. Although the Norwegians have made wonderful efforts in this way, —for example few railroads in Europe surpass in daring the line from Cristiania to Bergen, —Norway still remains, with respect to *density* of construction, the country least provided with railroads in Europe.

The inhabitants endeavour to compensate this deficiency by developing transport by water and by perfecting the network of their country roads. During the good season many steamers and motor boats glide over the lakes and rivers, and, best of all, is the postal service accomplished by means of carriages and automobiles ; but in the long winter period a great part of the water freezes and a great many of the roads become impassable.

We find, therefore, in Norway co-operation confronted with great difficulties. The difficulties of transport render almost impossible in many places the concentration necessary for the elaboration and sale of products, and especially of such as are perishable.

The purchase by the farmer of the necessary farm supplies is equally difficult. All this has played so important a part in Norwegian agriculture that, even at the present day, it remains, as far as its economic organisation is concerned, more or less in a primitive state.

The holding represents a unit which must suffice for the needs of the agriculturist, while on the other hand, the produce of the holding is entirely consumed by the family established upon it. Thus there is little or no need for exchange or for co-operation.

To the material factor there must, of course, be added the psychological factor. In the Norwegian farmer, isolated and forced to provide for himself, reckoning only on his own strength, there is rooted a tenacious spirit of individualism. He is, in general, by inherited disposition ill-disposed to unite his interests with those of others, because, accustomed to help himself, he holds aloof from whatever is introduced by strangers. One may well say that few countries are less favourable for the development of co-operation ; but for this very reason what has been done in Norway must be held in high esteen and value in honour of the men and institutions whose work has contributed towards such results.

The development of agricultural co-operation in Norway, relatively recent as it is, goes step by step with the transformation of the agricultural economy of the country from a purely natural basis to a monetary one, — a trasformation from which co-operation originated and in which, at the same time, it has been a factor. The importance of co-operation in the development of agriculture has lately been realized by the " Kongelige Selskap for Norges Vel " (*Royal Society for the Welfare of Norway*). This venerable society (1) now more than a century old, which has made the interests of agriculture coincide with those of the country generally has carried on a long and active propaganda of agricultural co-operation. By means of numerous affiliated associations, in particular the *Amternes Landhusholdningsselskaper* (district rural economy societies), it has been able to carry its work into every district, even the most remote, in the country and to the work of propaganda has joined, wherever it seemed to be needed, material support. For that reason, in our brief study of Norwegian co-operation we confine ourselves chiefly to the data contained in the publi-

1) The Society was founded on December 29th, 1809.

cations of the *Society for the Welfare of Norway*. (1) We limit ourselves for the time being to the more simple co-operative societies for production, purchase, sale, and consumption, excluding the co-operative credit and co-operative insurance societies.

To give a general idea of the development of these branches of co-operation in Norway we reproduce the following table relating to the year 1912-13.

TABLE I. — *Total Transactions of Agricultural Co-operative Societies in* 1912-13.

	Number of Societies	Societies which have furnished Data		Total Transactions in Crowns (2)
Dairies and cheese-factories . .	600	600	about	26,000,000
Butter-making societies	37			467,900
Butcher's shops	2	1		1,814,881
Co-operative purchasing societies	5	5		9,771,143
Co-operative societies for the export of butter	6	4		1,443,362
Co-operative egg-selling societies	31	22		208,017
Co-operative societies for the sale of wood	73	43		2,824,430
Co-operative sale societies . .	3	3		1,210,000
Co-operative distributive societies	370	252		18,544,665
	1,187	990	about	62,374,298

As may be seen, the turnover of capital is important, especially when one takes into consideration the extreme smallness of the population of the country.

§ 2. CO-OPERATIVE SOCIETIES FOR PRODUCTION.

1. *Co-operative Dairies.* — The production of milk represents one of the most important branches of agriculture in Norway. For this reason one of the first forms of co-operation there was necessarily that of co-operative dairies and cheese-factories. These have attained some development, although inferior to that of similar enterprises in other countries.

(1) "Samvirke Foretagender i Norge." av Hans Overaae. Utgit av der Kgl. Selskap for Norges Vel Samvirkentvalg (Co-operatice Enterpises in Norway. By Hans Overaae. Published by the Committee on Co-operation of the Royal Society for the Welfare of Norway). Christiania, 1914.

(2) The Scandinavian crown is equal to about 1 fr. 40.

e.g. Denmark, where the concentration, elaboration, and transport of this highly perishable product is accomplished with a rapidity and smoothness that is truly remarkable. The first society of the kind in Norway was the *Rausjodalens meieri in Tolgen* (*Osterdalen*) founded in 1855. A society composed of thirty agriculturists and issuing shares bought a considerable area of pasturage in the *Rausjodal,* providing cow-houses cheese-factories and other buildings. The necessary capital was obtained through the medium of a loan from the *Selskap for Norges Vel.* For the actual work and for the management of the enterprise a Swiss staff was specially engaged. This society, however, was obliged, after scarcely two years of activity, to stop its operations because of the various difficulties met with, especially with regard to the transportation of milk.

Various attempts were made until 1867, when knowledge began to be diffused in Norway of the discoveries relating to the refrigeration of produce, an innovation which produced an effectual revolution in the milk industry. The central societies, where the product could now be stored for a long period without deteriorating increased enormously in importance. From that time the movement progressed with ever increasing rapidity, assisted and encouraged by the *Selskap for Norges Vel,* which devoted itself to the constantly increasing work of organization and propaganda.

The work, becoming in time too heavy for the society, was taken up by the Government on the same lines.

In 1914, there were in Norway 660 co-operative dairies and cheese-factories. We have more complete data for 1910. In that year the societies of this kind were 618, besides 120 private dairies and cheese-factories, that is to say a total of 738 with a business amounting to 10,700,000 crowns (14,980,000 francs). In all, they transported to the cheese-factories 238,689,000 kilogrammes of milk.

From this there were produced:

3,707,740	kg.	of butter
1,772,220	"	" whole milk cheese
3,043,738	"	" skimmed milk cheese
2,980,781	"	" *mysost* (1)
8,637,556	"	sold as cream
38,004,042	"	" " " fresh milk
47,828,856	"	of skimmed milk

Analogous to the co-operative dairies and cheese-factories are the co-operative societies for butter. These are found in places where the quantity of milk would be insufficient for the continual working of a cheese-factory, or where the distance and difficulty of transport would make it difficult to assemble regularly the necessary supply of milk. This would be the case especially in summer, when the herds of cattle are scattered at

(1) A Norwegian cheese made from sour buttermilk.

great distances over the mountain pastures. To such conditions small co-operative butter-making societies are better adapted. The working of these is simple: on a certain day of the week, the butter is brought from various producers to a particular house, where it is all put together, churned, and the product carried to market. Such associations have been developed chiefly in the North of Norway, where the agricultural population is more widely scattered. In the district of Tromso alone there were 34 such associations, and in Nordland 3.

2. *Co-operative Slaughter-houses.* — The encouraging results obtained by Danish co-operative slaughter-houses which, providing for the concentration, sale and exportation principally of pork (and its by-products), have come to constitute one of the principal sources of wealth of the country, led Norwegian farmers, between 1880 and 1890, to seek to follow the example of the farmers in Denmark. The importance of this was demonstrated by the fact that cattle-rearing is, by a long way, the principal branch of agricultural production in Norway.

For this reason, the great utility of any co-operative society which would encourage the industry was at once evident, especially if such a society succeeded in taking the trade in cattle for slaughter out of the hands of middlemen, who were necessary so long as the country people were unable to kill and sell their own cattle. This was the position in the case of agriculturists who were furthest removed from inhabited centres and from whom was absolutely excluded the possibility of selling in the place where they were.

Such considerations, after various attempts, led to the constitution of the *Fælleslogteri* (co-operative slaughter-house). The society, however, notwithstanding the good-will of its organizers made no progress at first, but later on the tide turned especially when the « Fælleskjofp » (of which we will speak later), in 1910, began to occupy itself directly with the affairs of the *Fælleslogteri*, taking into its own hands the general organization. In a few months, there had been subscribed to the society a sufficient number of cattle (30.000 head) and there had been secured the necessary minimum guarantee of 300.000 crowns. The co-operative slaughter-house provides for the sale of cattle in the best condition for butchering by its method of killing and treating meat.

The society is based on limited liability. Each member subscribes to a guarantee fund in proportion to the number of head of cattle he possesses which are more than a year old. (Two pigs of four months or eight sheep are reckoned as equal to one head of horned cattle).

Every member has the right and obligation to consign to the slaughter-house his cattle to be killed, (oxen, swine and sheep), except such as he uses for his own consumption. Another exception is the case in which the agriculturist sells one or more head of cattle in a neighbouring town and he is certain that the meat will be retailed and consumed in that place and not sent to Kristiania.

Offences are punished by fines from 10 to 50 crowns for each head of cattle.

The society in order to regulate the supply of meat, may demand that each member give due notice, a certain prescribed period of time beforehand, of the number of head of cattle which he intends to consign. From the result of the sale of each animal killed there is deducted 1 per cent. which goes towards the capital of the enterprise, which sum, however, is always credited to the member's account.

The annual profits are devoted to paying off a minimum of 20 per cent. of the loan contracted, to paying the various salaries, and to paying bonuses to members in proportion to their dealings with the society.

The society is governed by a board of management composed of three members, and a council of representatives elected by the members. The management has to publish every week a list of prices as a forecast of the following week. The society also undertakes the sale of butcher's meat consigned from the members and will sell also for non-members in return for a commission.

Solidly organised and enjoying the confidence of producers and consumers the *Fælleslagteri* has been able from the first to give excellent results. On 15th November, 1911, when it entered into activity, it had already 5,041 members, who had inscribed with the society 47,331 head of cattle. A year and a half later, 19th March 1913, the membership had grown to 5,813 and the head of cattle inscribed, to 53,553. The entire extent of business of the first year of activity was 1,814,881.04 crowns of which sum 1,601,045 crowns were paid to the members.

§ 2. Co-operative purchase societies.

In the first transition of Norwegian agriculture from the stage of primitive to that of monetary economy, which occurred in the second half of the last century, the need of means to increase and improve production soon made itself felt. In addition to this, the increase in the area under cultivation and the growing scarcity of rural hand labour, due to internal and, especially, to overseas emigration, brought about the more extended use of agricultural machines.

However, very serious complaints soon arose in connection with the trade in commodities for use in agriculture. These complaints related to the quality of the commodities and, particulary, to the high prices charged, both of which were to be accounted for by conditions peculiar to Norway.

In 1885, a comparative study appeared in the *Nordsk Landmandsblad* which showed that the prices paid in Norway were almost one-third higher than those paid in Denmark for the same article. We see, therefore, that the only way out was through co-operation, through which it would be possible to economise on the prices and, at the same time, to guarantee to agriculturists still inexperienced in the purchase of such commodities, a good quality of article. The first attempts, as was very natural, were very timid and uncertain. But the movement made rapid progress

as soon as it began to employ the district rural economy societies (*amternes landhusholdningsselskaper*). These societies, whilst, on the one hand, representing an organization already constituted on the other possessed among their members persons competent in this kind of purchasing. They had the advantage of being grouped around a central body, the Society for the Welfare of Norway, and at the same time they were able to make their action felt through the medium of their affiliated societies in all parts of the country, even the most remote.

With the introduction of this factor the Norwegian co-operative purchase societies made a very rapid forward movement. Whereas in the year 1896-1897 the entire extent of business of the rural co-operative purchase societies was 243,000 crowns (of which about 220,000 crowns related to the co-operative purchase societies of the district rural economy societies) in 1913-14 the extent of business was 9,771,143 crowns, of which nearly the whole amount represented the business of the co-operative sections of the district societies.

The purchase societies have extended their operations more and more in regard to manures, fodder and seeds. The wide extent of business in these articles of common use among the small agriculturists shows the importance particularly to these latter of such societies. The following figures for instance, relating to the total business in chemical manures are significant. Unfortunately they are the most recent figures at our disposal.

	Total sales	Co-operative purchase societies	
	Tons	Tons	
1903	18 034.4	5 123.4	28.4
1906	41 280.8	17 950.0	43.5
1911	57 061.6	29 772.0	51.5

There are now in Norway five great societies (or more properly *federations*) for co-operative purchase.

1. *Landhusholdningsselskapernes indkjøp*, co-operative purchase agency of rural economy societies, with its headquarters in Kristiania.

2. *Agder indkjøpsforening*, (Agder co-operative purchase society, with headquarters at Kristiansand.

3. *Stavanger amts landhusholdningsselskaps indkjøpsforening*, (co-operative purchase agency of the rural economy society of the district of Stavanger), with headquarters at Stavanger.

4. *Det vestlandske Kjøpelag*, (Westland co-operative purchase union), with headquarters at Bergen.

5. *Nordenfjeldske landhusholdningsselskapers indkjøpslag*, (co-operative purchase and sale society of the societies of rural economy of Nordenfjeld), with headquarters at Trondhjem.

These societies, by means of their branches, have come to embrace the entire extent of the country, carrying their beneficent influence even to

regions which private trade would not have found it worth its while to reach or, at least, to only the most limited extent.

We offer some remarks on each of these enterprises :

1. *Landhusholdningsselskapernes fælleskjöp.* The south-eastern part of Norway, where agriculture is more largely exercised and where it can be made more productive, was, as is natural, the first to feel the need of plentiful supplies of agricultural commodities. In 1914, the agricultural societies of Kristians Amt and the societies of rural economy of the districts of Akershus, Smaalene, Busterud, Jarlsberg, and Larvick sent a request to the Society for the Welfare of Norway to charge itself with the co-operative purchase of chemical manures and fodder. Such commodities they observed, and especially the first, come to Norway imported from abroad and in such considerable quantities that agriculturists might effect a considerable saving by hiring directly the ships which transport them, and that at Christiania, - - which happens to be the point most convenient in respect of all these districts, — there should be a centre to control this merchandise and distribute it to the various places.

The Society for the Welfare of Norway was not able to assume directly the management of the entreprise. However, the idea had been circulated and recognized as good and, furthermore, put into action. On 5th October, 1896, the rural economy societies of the districts of Kristian, Hedemarken, Buskerud and Smaalene decided to form an association for the co operative purchase of chemical manures, concentrated feed-stuffs and seeds. The capital for carrying on the business, accorded by public institutions on the guarantee of the districts, amounted to 40,000,000 crowns. The Societies began operations at once.

Subsequently, the societies of rural economy of the districts of Akerhus, Jarlsberg, Larviks, Bratsberg, and Nedenes joined the co-operative society, so that the organized districts now are eight in number.

The *Landhusholdningsselskapernes Fœellesk jöp*, which, at first, had limited its activities to the purchase and distribution of chemical manures, fodder and seeds, gradually extended its activities to all sorts of articles necessary for agriculture, as well as to flour and meal, petrolium, benzine and cement.

In the exhibition held last summer at Kristiania on the occasion of the centenary of Norwegian independence, (1814 1914), the *Landhusholdningsselskapernes Fœlleskjöp* had a division to itself in the section of Agriculture and this commanded the admiration of all competent persons for the choice selection of machinery imported direct from the best workshops in the world ; tools of all sorts, and, in fine, all articles necessary for Agriculture, which were enumerated in a voluminous catalogue.

The development of the co-operative purchase section of rural economy societies is clearly proved by the following data :

TABLE II. — *The Co-operative Purchasing Agency of the Rural Economy Societies* (*Landhusholdningsselskapernes Fælleskjöp*)

Year	Number of			Sales of		
	Districts	Local Societies	Members	Chemical Manures *Tons*	Concentrated Feeds *Tons*	All Commodities *Crowns*
1896–97	4	—	—	—	—	243,609.00
1897–98		—	—	—	—	411,980.00
1898–99		—	—	—	—	395,104.00
1899–1900 . . .		—	—	—	—	602,870.00
1900–01		—	—	4,12[illegible].4	—	629,30[illegible].00
1901–02		—		—		830,967.00
1902–03						1,162,308.00
1903–04				7,072.7	7,627.4	1,221,875.00
1904–05	6			9,991.9	16,814.6	2,496,359.00
1905–06		352		13,130.5	15,[illegible]68.7	2 557,432.00
1906–07				15,626.5	21,113.8	3,271,722.00
1907–08		382	11,000		—	4,596.769.00
1908–09		385		13,637.3	20,062.7	3,506,630.00
1909–10		433	—	15,111.6	22,487.6	4,297.496.00
1910–11	7	481	12,500	18,212.5	27,233.2	4,667,571.00
1911–12	8	552	15,000	23,638.3	38.210.7	7,501,369.00
1912–13		574	16,588	23,999.0	28,793.5	6,662,[illegible]51.00
31 Maggio 1914 .	»	628	19,142	26,730.5	34,142.5	7,719.507.68

And now some words on the organization and functions of the society.

The *Landhusholdningsselskapernes Fælleskjöp* of Kristiania is the central organ, constituted for the purpose of making collective purchase for the rural economy societies as we have enumerated above. For all that the district societies do not perform a mediary function between the central society and the consumers. This function is performed by small local organizations (*fælleslagene*) specially created and distributed in the smaller centres. The central organ undertakes wholesale purchases and *by cash payments* makes sure of a good quality of fodder, manures, seeds and other supplies which the general assembly annually decides to buy on the proposal of the management. By such means the action of the society comes, little by little, to follow the needs as manifested by the vote of the members.

The working capital is constituted by loans obtained from public institutions on the guarantee of the districts.

The management is composed of a representative of each of the rural economy societies which constitute the federation. The management selects from its members a president and a vice-president, and also, from its own members, when that is possible, one or more persons for the supervision of the society.

The directors engage a manager, who takes charge of the purchasing, executes the orders, makes and receives the offers etc., but who, however, acts only in accordance with the instructions he receives.

The local societies, known as the Co-operative Purchase Societies of the Rural Economy Societies, send their orders directly to this individual. The payment is at thirty days. After sixty days they suspend the sending out of merchandise to local societies.

Any losses arising out of the activities of the co-operative society are divided among the various rural economy societies in proportion to the purchases which they have made. Out of the profits, a rebate, up to a limit of 2 per cent., is granted to such local societies as have paid their invoices within thirty days. The remainder of the profits, except bonuses which may be accorded by the management, go towards a reserve fund.

The year's work is reckoned from 1st June to 31st May.

When a district association wishes to sever its connection with the co-operative purchase society it has to give notice of such intention one year in advance. It will not receive in such a case, more than three-quarters of its share of the reserve fund.

When any *fælleskjöp* comesto consist of less than three district societies of rural economy, it has to restore the capital received and to dissolve. The reserve fund is divided in proportion to the operations effected by the different district societies.

Such is the organization of the central organ, the *Landhusholdnings selskapernes Fælleskjöp*. The local organs are, as we have said, the special associations scattered throughout the different districts. The members of these associations are obliged to buy chemical manures and concentrated feeds through the association and to assume the responsibility jointly for the purchases of the societies. Every member is responsible in case of loss for a sum proportionate to the entity of the purchases made.

We must add that the society publishes a review entitled "Samvirke" (*Co-operation*). This review, which is published twice a month in 22,500 copies, had, up to 31 March 1914, 20,000 subscribers. It contained notices of the proceedings of the society, of Norwegian co-operative life in general, and of the prices of commodities.

2. *Agder Co-operative Purchase Society* (*Agder Fællesinkjöpforening*). This society, (with headquarters at Kristiansand), is composed of associations for purchasing (*indkjopslag*) formed by members of the societies of agriculture belonging to the district societies of rural economy of Lister and Mandel. The principal object of the society is the sale of chemical manures, concentrated feeds and seeds. Last year it also undertook the sale of

flour and meal. Founded in 1900, the Agder society has had a rapid development. In 1912, its sales amounted of 235,113.47 crowns. The capital for operations of the society is constituted by a loan of 20,000 crowns obtained from public institutions on the guarantee of the districts of Lister and Mandal. In compensation, the District Council (*Amtsting*) has the right to exercise the control, by means of special inspectors, over the operations of the society for such time as the guarantee of the district for such loan lasts.

The members of the local societies for purchasing (*fjud Kjoplægene*) are responsible for the obligations of these to the central socety. The rules overning the responsibility of single members is fixed by the different local societies. Those which wish to dissolve must first satisfy their obligations to the central society. The profits constitute a reserve fund. When, however, these exceed one-tenth of the average of the total business for the last three years, they are distributed among the members in the form of bonuses.

The members of the local co-operative purchase societies should also belong to the local agricultural societies. They are bound, as we have said, to become jointly responsible for the obligations of the co-operative society. However this resposibility is fixed by this latter according to different principles, that is to say, not always in proportion to the purchases made during the year, but also for example, in proportion to the number of cows possessed by each member, or to the area of land he possesses, etc.

The members must not be less than ten. The general assembly, convoked once a year, provides for the nomination of the officers.

3. *Co-operative Purchase Society of the Rural Economy Society of the District of Stavanger* (*Stavanger amts landhusholdningsselskaps fælleskjöp*). This society, which is relatively recent, (1906), was founded after numerous experiments for co-operative purchase made in that district since 1892, and constitutes a special branch of the society of rural economy with a separate administration. At the moment of its foundation it had 2,750 members distributed into 70 local societies, it undertook purchasing operations up to 160,249 crowns and possessed capital of 779 crowns. In 1912, these figures were raised to the following: local societies, 114; members 4,000; total purchases, 832,662 ; capital of the society, 30,894 crowns.

The by-laws are similar to those already shown in the case of other co-operative societies: they prescribe joint responsibility, a minimum number of the members of the local societies, *i. e.* ten; and annual general meetings. The working capital has been constituted by means of a loan from public institutions. The management decides if there is to be constituted a reserve fund and to what extent. The local societies leaving the society lose all right to this fund.

4. *The Vestland Co-operative Purchase Society* (*Det vestlandske Kjopelag*) has it head quarters at Bergen and is composed of the societies of rural economy of the districts of Romsdal and Sondre Bergenhus and the Agricultural Association of the district of Nordre Bergenhus.

Any rural society of the region may form part of the purchase society.

and all are obliged to purchase through the latter all the commodities which they may need and which the society is able to obtain for them.

The *Vestlandske Kjopelag* comprises 400 local associations, of which 114 are in Sondre Bergenhus, 121 in Nordre Bergenhus, and 164 in Romsdal. The business in 1912-13 amounted to 3,695.8 tons of chemical manures, 3,545.8 tons of concentrated fodder, 46,206 kg. of seeds, total 807,407 crowns.

5. *Co-operative Purchase and Sale Society of the Rural Economy Societies of the Region of Nordenfjeld.* (*Nordenfjeldske Landhusholdningsselskapers Indkjopslag Salgforening*), with offices and warehouses at Trondhjem. Up to 1913, the sales were made directly to the rural societies and also to private individuals against payment on delivery. Since 1913, the business has been conducted according to the principles of the other district co-operative purchase societies. On 30th January, 1914, the society of Nordenfjeld comprised 206 local associations, of which 70 were in the district of Sondre Trondhjem, 75 in that of Nordre Trondhjem, 38 in Nordland, and finally, 23 in that of Tromsoe. As we see, this society exercises a great part of its activities in regions beyond the Arctic Polar Circle. In the year 1912-13 its total business amounted to 1.183.800 crowns.

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From what we have said above it is easy to see that these purchase societies have been of great utility to Norwegian agriculture. They constitute centres from which articles necessary to agriculture may be sent into localities even remote which, in all probability, private trade would not be able to reach, or where the prices established by private traders would be very high. On the other hand, such societies also guarantee the quality of the merchandise which they sell because at their headquarters it is subject to accurate examination and control.

Also, the system of organization adopted has great advantages. In effect, the activities of these societies are placed under the management and supervision of very progressive and highly respected agriculturists belonging to the district societies of rural economy. The general system is not rigid and leaves to the local societies sufficient freedom. On the other hand, the joint responsibility of the members of the central society is a sufficient guarantee against abuses.

The co-operative purchase societies represent, not only an economic advantage to their members, but also constitute an element of technical progress, since they are interested in the development of agriculture and follow the current of the latest discoveries in science. Upon these grounds they merit the financial support which has been accorded them by the different public authorities.

(*To be continued*)

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CO-OPERATION AND ASSOCIATION.

CHILE.

RIESLE (ROBERTO) : Sindicatos y Cooperativas agricolas. Crédito agrícola. Special Bulletin No. 1. of the Chilean Agronomic Society. in-8vo. 28 pp. Santiago : Printing Office of the Meteorological Institute. 1915.

The volume contains a series of propagandist lectures delivered by the author under the auspices of the Chilean Agronomic Society.

Mr. Riesle, after drawing attention to the backward state of agriculture in Chile, in which country half a million hectares of land — 42 per cent. of the whole — remain uncultivated, notes the fact that the present crisis, aggravating the position of agriculture, has led to a movement in favour of those connected with that industry. The author wishes to contribute to this movement by making known to the agricultural classes the advantages of co-operation.

Having first described briefly the functions of syndicates and of the various forms of rural co-operation, and presented certain model rules based on the rules actually in force in French agricultural societies, describing at the same time the results of the working of credit institutions in France, the author frames a number of conclusions, of which the principal are as follows : (1) That the Chilean Agronomic Society ought to seek, by every means in its power, to establish one agricultural syndicate, at least, in each zone of the different Provinces ; (2) that a Commission should be appointed to study the question of enacting legislation relating to the constitution of agricultural societies ; (3) that the work of rural colonisation should be brought into relation with the work of forming rural associations ; (4) that a Department of Agriculture is indispensable, and should be created.

GREAT BRITAIN AND IRELAND.

1. CO-OPERATIVE LAND RENTING SOCIETIES IN ENGLAND AND WALES. 2. CO-OPERATIVE LAND RENTING : ITS ADVANTAGES. 3. ROXTON CO-OPERATIVE SMALL HOLDINGS SOCIETY, LTD. 4. COMMON PASTURAGE : HADDENHAM AND CUDDINGTON SOCIETIES. 5. AL-

LOTMENTS SOCIETIES AND THEIR WORK. 6. GRANTHAM CO-OPERATIVE ALLOTMENTS ASSOCIATION, LTD. 7. STATISTICS OF LAND RENTING SOCIETIES. *Bulletin of the Co-operative Reference Library.* The Plunkett House, Dublin. No. 10. April 1915.

The April Number of the *Bulletin of the Co-operative Reference Library* is entirely devoted to the various forms of co-operative land-renting societies in England and Wales, and contains the articles above indicated. The two principal forms of such societies of societies are those which rent land for the purpose of sub-letting it in small holdings to the members individually and those which in like manner provide their members with allotments. There is, however, a third form of land-renting society, of which two instances are described, namely those which rent a piece of grazing land upon which the members are given the right to graze live-stock at a fixed price per head of stock.

Co-operation in the renting of land is usually accompanied by other forms of co-operation, such as the joint purchase of agricultural requirements. In the case of the Roxton Co-operative Small Holdings Society, there is common ownership of horses and implements, these having been purchased by the society and hired in turn to the members. A further development of co-operation by this society is the employment of a labourer at a fixed wage, whose services can be obtained by any of the members according to a scale of charges for different kinds of work.

The statistics show that in 1913 there were 191 land-renting societies in England and Wales, with 14,117 members, holding 8,105 acres from local administrative authorities and 5,345 acres from other landlords.

VARIOUS COUNTRIES.

O'BRIEN (CRUISE): CO-OPERATIVE MILLS AND BAKERIES. The Co-operative Reference Library. The Plunkett House, Dublin. Miscellaneous Publications, No. 2. February 1915. 50 pages.

This pamphlet has been issued by the Co-operative Reference Library, of Dublin, as embodying the results of an inquiry into the working of co-operative mills and bakeries in various countries, made at the request of the Irish Agricultural Organisation Society. Efforts are being made by this Society to increase the production of wheat in Ireland and the object of the inquiry was to ascertain whether, by means of co-operation, a greater return could be secured for the wheat-growers.

Owing to the European War the compiler of the pamphlet was unable to obtain access to many valuable sources of information, more particularly regarding co-operative mills and bakeries in Germany, but he has succeeded in putting together many useful notes on this form of co-operation in France, Italy, and elsewhere.

The form of co-operative bread-making which exists in the United Kingdom is the urban co-operative bakery, the members of which are consumers only. But, as the compiler of the pamphlet points out, it is by no means part of the co-operative theory that there should be a sharp division between the organisation of co-operators as producers and the organisation of other co-operators as consumers. "The producer," he says, "is also a consumer and stands to gain as much by extending his co-operation to his consumption, as by developing it as a producer simply."

For examples of the co-operation of wheat growers for the making of bread for their own consumption it was necessary to turn to the continental countries and the author shows how small wheat growers on the continent have built up a system by which they obtain cheaper and better bread from their own wheat than they could by buying the bread sold by the bakers. He concludes, from the study of this system, that it would be advantageous for Irish farmers to adopt it.

Part II: Insurance and Thrift

AUSTRIA.

THE LOWER AUSTRIA HAIL INSURANCE INSTITUTE.

By Dr. G. Rocca.

Among the supporters of State action in favour of the principle of mutuality in agriculture by the creation of public insurance institutes, either with a legal monopoly or in competition with private companies, there is a difference of opinion as to whether such institutes receiving State-aid should be administered directly by the State or should be entrusted to lesser authorities such as those of the province or commune. For this reason I have thought it desirable to follow the study which has already appeared in this *Bulletin* on the internal organisation of the Bavarian Hail Institute and the results of its work, with a description of another public hail institute, that, namely, of Lower Austria whose headquarters are in Vienna. This Institute was founded in 1899: the Directors have been kind enough to furnish me with full information as to the general conditions of insurance and as to the work of the Institute as carried out in 1913, its fifteenth working year. It may be noted that the area of Lower Austria is 19,854 square kilometres, equal to about a quarter of the Kingdom of Bavaria or to a region in size intermediate to the Italian regions of Apulia and Emilia.

§ 1. The system of direction.

The ultimate direction of the institute and the general control of the whole of its work rests with the Lower Austrian Diet represented by its executive body, the Provincial Commission. In addition, the Diet each year nominates two of its members as honorary auditors. The direct

administration is left to the Directing Board of the Insurance Institutes of Lower Austria, — the institute for fire insurance, founded in 1897, for life insurance and annuity, founded in 1898, for the insurance of horned cattle and horses, for accident and fidelity insurance, and for insurance against damage to water conduits.

Articles 1 and 2 of the bye-laws state that the Institute is organised upon mutual principles for the purpose of insuring owners and tenants of land in Lower Austria against total loss of or damage to agricultural crops, including market-garden crops. According to the mutual principles in force, any profits or losses arising fall upon the members, — every person insured being considered a member. The limitation of operations to the territory of Lower Austria is explained by the fact that the Institute is an institution in public law.

The Lower Austrian authorities gurantee the Institute an annual subvention of 80,000 crowns, and, in addition, place at its disposal a cash credit of 200,000 crowns to be drawn upon to make good any deficit in the balance sheet, should the reserve fund prove insufficient for this purpose. The statutory amount of the reserve fund is a million crowns. It consists of: (1) the profits of the Institute, if any; (2) income derived from the Institute's own capital invested; (3) any sum awarded as damages in an action; (4) the additional fees charged upon payments in arrears; (5) the contributions prescribed by the Provincial Commission. When the fund has reached the statutory limit, the sums above-mentioned are diverted to the repayment of loans guaranteed by the State; but in the event of the fund falling below one million crowns these various sums are again allocated to it.

The case of the loans granted to the Institute having all been repaid — a case which has never arisen so far — has also been provided for. In such an event, and provided always that the reserve fund is maintained at the prescribed amount, any profits arising out of the working of the Institute are to be divided among the persons insured with it in proportion to the premiums paid in the current year, each member's share being credited to his account and deducted from the next annual premium due. Those members who withdraw from the Institute or are excluded have no claim upon any undistributed profits.

The Institute's capital may be invested only in one of the following ways: (1) in national trustee stock; (2) in loans to the Archduchy of Austria under Enns; (3) in interest-bearing national real estate stock when not burdened with charges for more than a third of the purchase price; (4) in national trustee mortgages; (5) in loans upon national trustee stock up to 80 per cent. of the current value of such stock, this proportion, in the case of stock redeemable by lot, not to exceed the minimum profit resulting from the scheme of redemption, after deducting taxes; (6) in deposits in the national savings bank; (7) in deposits in duly authorised national credit institutes in current account or against interest-bearing bonds, provided in every case that such funds are readily repayable to the Institute.

In the case of a deficit the reserve fund is first resorted to, and the State authorises withdrawal up to a third of its amount. If even then the eventual losses will not be covered, the claims payable for the current year may be reduced *pro rata*. When the claims must be reduced more than 20 per cent. the authorities place at the disposal of the Institute the sum of 200,000 crowns already referred to in order that all claims may be paid up to 80 per cent. of their amount.

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These preliminary notes upon the financial organisation of the Institute will be made clearer in the tables relating to the work of the Institute in 1913. Let us now see what functions devolve upon the four administrative bodies concerned: the Diet, the Provincial Commission, the Directing Board of the Lower Austria Insurance Institutes and the Directing Board of the Hail Institute itself.

The Diet deals with: (1) the framing of the bye-laws, excluding, as a rule, those relating to the conditions of insurance; (2) the organic law of the employees; (3) the dismissal of the permanent employees of the Institute; (4) the examination of the balance sheet and of the auditors' report; (5) the decision to dissolve the Institute, and the method of liquidating its affairs. The deliberations of the Diet with respect to the framing of the bye-laws, or of any amendments to them, and with respect also to the dissolution of the Institute are subject to the approval of the Government.

The Provincial Commission deals, among other matters, with: (1) the business to be submitted to the decision of the Diet; (2) the nomination, promotion and superannuation of permanent employees, as well as all that concerns casual employees; (3) the direction and administration of the Institute; (4) the method and the form of investing the Institute's capital; (5) the conclusion and the dissolution of reinsurance contracts; (6) all acts which are in the nature of permanent contracts entered into by the Institute or which relate to the renunciation of a right upon the Institute's part; (7) appeals from decisions of the Directing Board of the Insurance Institutes; (8) the balance sheet of the Institute, approving it in the case where the Diet does not meet in time to do so; (9) the conditions of insurance, except where the question relates to the duty of an insured person to insure his real property with the Provincial Fire Insurance Institute, which question must be referred to the Diet; (10) the amount of the contribution to the reserve fund; (11) the scale of premiums; (12) the acquisition or cession of real estate, the creation of mortgages and the granting of loans. The deliberations of the Commission as to the conditions of insurance or the modification of these conditions are subject to the approval of the Government authority.

The Directing Board of the Lower Austria Insurance Institutes assumes the immediate management and control of the Hail Institute, its

principal functions relating to : (1) the decision of all questions which concern a number of insurance institutes or require to be treated upon uniform lines ; (2) the current legal, fiscal and administrative business, being authorised in certain cases to nominate an advocate to represent it in cases in dispute ; (3) the representation of the Institute before the Government inspecting authority ; (4) appeals from the decisions of the Directing Board of the Hail Institute ; (5) the nomination of the expert valuers required for the estimation of loss, — such valuers having to take oath.

Lastly, the Directing Board of the Institute itself deals with the routine work of management and represents the Institute in all that concerns the persons insured and the authorities, with the exception of the Government inspecting authority and the organs of that authority.

In addition to the cases mentioned above, — compilation and amendment of bye-laws, dissolution of the Institute and the prescribing of the conditions of insurance, — the approval of the Government authority is necessary in the case of any agreement under which : (*a*) the Institute hands over the whole of its business, in any form, to another Institute or assumes the business of another institute ; or, (*b*) reinsures the whole of its business with another institute or accepts for reinsurance the business of another institute.

The Institute is subject to the control of the Government inspecting authority over all insurance enterprises operating in the Kingdoms and Countries represented in the Reichsrat, and with respect to the keeping of the accounts, the presentation of the balance sheet and the auditors' report, the provisions of the Ministerial ordinance of 5th March, 1896, (*Versicherungs-regulativ*) which regulates the constitution and activity of private insurance enterprises, are applicable to the Institute. The controlling authority forms part of the Ministry of the Interior.

Article 16 of the bye-laws declares that for the settlement of all disputes between the members and the Institute, arising out of the relation between them, recourse shall be had to the competent court at Vienna, before which the Institute will appear as plaintiff or defendant.

In the case of the dissolution of the Institute, the part of the capital remaining after all debts have been paid, including the sums advanced by the State, shall be devoted to works in connection with agriculture in Lower Austria.

§ 2. The insurance contract.

Membership in the Institute is conferred by the act of insuring and is lost by the termination of the insurance contract. Every owner or tenant of land in Lower Austria has the right of membership ; but admission to membership may be refused to any person who has offended against the rules prescribed by the Institute. In addition, — and this is a necessary defence against the accumulation of risks which would otherwise arise as

a result of the Institute being compelled to confine its operations to a limited area, — the Directors may, for districts particularly exposed to damage by hail, limit each sum insured to a certain percentage of the value of the product, — the percentage being fixed by the Institute and being valid for the whole of a particular district. Such a provision must be communicated to the persons affected at the beginning of the year. (The financial year corresponds with the calendar year). This system of selection of risks, under which it rests with the Provincial Commission to fix the proportion between the sum assured and the value of the produce, seems to be much superior to the system in force in other insurance enterprises under which, for communes most liable to damage, a certain maximum insurance is fixed, and when that has been reached no further proposals are considered, — the so-called system of maximum risks. It is clear that under the latter system certain cultivators would be unable to effect the insurance of their crops, whereas, in the case of a public institute subsidised by the State, it is only just that insurance should be possible for all and that the necessary compensation of risks should be secured only through accurate tariffs of rates.

A person may be admitted to membership of the Institute at any time, but a member may withdraw only after notice in writing sent to the Directing Board before the end of the financial year. This provision applies also to the case of a transfer of ownership or of tenancy, except in certain cases mentioned below. The withdrawal of a member or his exclusion from the Institute does not affect any obligations which at the moment he may have towards the Institute, and the same remark applies to the transfer of ownership or tenancy.

In the case in which an insured holding passes into the ownership or tenancy of a member of the Institute, the new owner or tenant shall assume the obligations and rights attached to the new holding. On the other hand where an insured holding passes into the hands of a non-member, such non-member may assume the obligations and insurance rights attached to the holding, and will in such event be held responsible for the payment of any dues which may be in arrears. However, if the new owner or tenant intends to exercise this right he must notify to the Institute the transfer of the ownership or tenancy and his intention to continue the former relations with the Institute, within four days from his entering into possession. Should his application to continue relations have met with no refusal upon the part of the Directors of the Institute within a prescribed period of time, the rights and obligations in question are considered as having continued without interruption. It is not difficult to understand the reason for these provisions which are contained in Articles 10 to 12 of the bye-laws. They are designed to permit of the continuance in the person of the new owner or tenant of the insurance relation which ceases, as far as the former member is concerned, with his cession of the holding.

The contract of insurance may be entered into by more than one person by means of a single proposal and one policy. In such a case each person is held responsible in full for the payment of all premiums and supplement-

ary charges. This form of contract — called collective insurance — has the advantage of effecting a certain saving in the charges connected with the conclusion of the contract (policy and stamp taxes, etc.) and in the cost of estimating the damage in case of loss.

We have laready referred to the fact that the premiums are fixed by the Provincial Council according to a scale based on the frequency of hail-storms in the different districts and the risk connected with the specific product insured. In addition to the premium, each member upon admission to the Institute, or in the event of his wishing to increase the amount of his insurance, is required to pay in a contribution to the reserve fund.

The premiums and all other charges must be paid, before 1st November in each year, either to the cashier of the Institute, in Vienna, or to one of the various authorised agents. The Institute is obliged to inform the members in good time of the amount due from each. It is authorised to take legal steps to recover payments in arrears, the legal expenses falling upon the member.

For the valuation of damage the Directing Board of the Lower Austria Insurance Institutes appoints expert valuers who take oath for the faithful performance of their duties. The result of the expert's valuation is communicated at once to the member interested, who if dissatisfied with the result may demand a second valuation, which must be considered final. The Institute pays for the first valuation: the second valuation must be paid for by the member, but if it results in an increased estimate of the loss the cost falls upon the Institute. The amount of indemnity is calculated upon the basis of the valuer's written report and the indemnity is paid, at latest, by the close of the calendar year. However, on the demand of the person insured the Institute is bound to make advances on the amount due, though such advances may not be made earlier than September 15th.

The right to indemnity ceases: (1) If the person insured has not carried out all the terms of the insurance policy; (2) if the insured person or his representative, has intentionally furnished wrong data; (3) if, when the estimation of the damage is made, the insured person attempts to profit at the expense of the Institute, making false communications or of intention remaining silent on important points; (4) if the amount due to the person insured is not retired within two years.

§ 3. Technical organisation.

The technical organisation of the Hail Institute may be studied in the general conditions of insurance which form part of the bye-laws. In their present form they received the approval of the Home Minister on 7th July, 1900. We shall endeavour here to explain briefly the criteria adopted by the Institute in the classification of risks and in the settlement of claims.

(a) *Classification of risks.* — The crops which are accepted by the Institute for insurance are divided into certain classes according to the

nature of the risk which they represent. The Institute insures crops in six classes, and the sixth class — the highest risks — is divided into three groups : vineyards, vegetable-gardens and fruits. The other classes are as follows : (1) hay, clover, and forage crops ; (2) wheat, rye and barley ; (3) oats, legumes, maize, hoed crops, mixed cereals, cabbages, Brussels sprouts ; (4) oleaginous plants, textile plants, millet, hay and forage crops for seed ; (5) beets for the production of seed, and grain.

In the case where the crop has already been damaged by hail, insurance is accepted only if as the result of a valuation made at the expense of the Institute, the damage does not exceed half the value of the crop. Winter sowings cannot be insured in the year in which they are sown. The insurance must not be limited to the fruit but cover all those parts of the plant which may be utilised ; moreover, it is valid only for one cultivation of the holding, and, in the case of grasses and forage crops for seed, is valid only for the number of cuttings indicated in the proposal. When a holding has been damaged the insurance contract does not cease until a new crop has been grown.

With the object of individualising the risks, the Directing Board of the Institute ascertains for each commune the value of the production per hectare according to revenue-yielding power for all insurable crops cultivated in the commune. Making compulsory the insurance of all the serviceable parts of the plant, and, therefore, of secondary products such as straw, stems and outer skins, the Institute makes it impossible to insure only those products which are most exposed to damage by hail, and when damage occurs the value of the product is calculated as follows :

(1) In the case of rye, wheat, barley, oats, millet, legumes and mixed crops of these grown for seed, the fruit is calculated as 75 per cent. of the value, and the straw at 25 per cent. ;

(2) for beets, Indian corn, maize, lupine, grasses and forage crops for seed, the insured sum is calculated as 90 per cent. for the fruit and 10 per cent. for the stems or stalks ;

(3) for textile plants, 33 per cent. for the fruits and 67 per cent. for the stems ;

(4) for grasses and forage crops, in the case of two cuttings, the first is considered as constituting 60 per cent. and the second as constituting 40 per cent. of the sum insured ; in the case of three cuttings the first is counted at 50 per cent., the second as 30 per cent. and the third as 20 per cent. of the sum insured.

The sum insured, on which the premium is calculated, is determined by the Institute from data furnished in the proposal for insurance with respect to the area, the revenue-yielding power and the class of product insured. In case the crop has already been damaged by hail, the estimated amount of damage must be deducted from the sum insured. In every case, in calculating the indemnity to be paid, only the actual value of the product is taken into account (deducting the amount of damage already suffered should the product have been previously damaged by hail), so that the actual value itself is at most equal to the insured sum.

The member insured may always increase or diminish the amount of his insurance. In the case of an increase the increased amount of risk is considered a new insurance, and the member must pay, in addition to the increased premium, a contribution to the reserve fund. In the case of diminution no deduction is made for the current year. This provision, however, does not apply in the case where the increase or decrease of the insurance have resulted from a change in cultivation or a modification in the value of the local production of the different crops.

Admission to the Institute is obtained by written application upon a special form, and the proposer or his agent is required to furnish replies to all the questions contained in the application form, and to state exactly and truthfully all the material facts which the Institute considers necessary for the determination of the risk. In any case, the Institute has power, even after the conclusion of the contract, to examine and verify all the information furnished in the proposal for insurance. The insurance contract is concluded whenever the Institute accepts the proposal made to it. As soon as the proposal is accepted the Institute delivers to the insured person a policy in which the nature and the amount of the Institute's obligation towards the member are accurately stated. The insured person by acceptance of the policy implies that he agrees to the terms contained in it. Article 41 of the conditions of insurance states that the Institute's obligation arises solely from the terms of the policy and from any modifications in it or additions to it, so that verbal or written communications of any agent of the Institute in no way bind the Institute itself.

Article 37 of the conditions of insurance states that by subscribing to the policy the insured person contracts the following obligations :

(1) to obey the bye-laws of the Institute and any amendments of them while a member ;

(2) to fulfil the terms of his policy ;

(3) to yield to the decisions and obey the rules which the directing bodies responsible for the Institute may make according to the powers they enjoy ;

(4) to pay in all cases the premium fixed for each year according to the information furnished by him, together with any other charges which may be levied ;

(5) to insure the whole of the crop of the same kind situated in one and the same commune, or belonging to the same from or holding ;

(6) to insure at once, or at the expiration of any contract of insurance in force at the moment, all the buildings, whether domestic or industrial, in his property situated in Lower Austria, in the Lower Austria Fire Insurance Institute, and to keep up such insurance as long as he shall remain a member ; but this provision shall not apply to local fire insurance associations where real estate together with chattels are insured in the Lower Austria Fire Insurance Institute ;

(7) in the event of his insuring vines, to insure in the Institute all the plants with stems cultivated by him in Lower Austria ;

(8) to inform the Institute, or the agent of the Institute to whom he presented his proposal for insurance, in writing, of any damage by hail, within twenty-four hours of its occurrence ;

(9) after damage has taken place, not to make any change in the state of the damaged product without the permission of the Institute and at any time other than the usual time of harvest ;

(10) to undertake, upon his own responsibility, in the case where the harvest is near at hand, only such work in connection with the damaged crop as is designed to present further damage, and to give notice at once to the Institute ;

(11) in case of damage, to facilitate the work of estimating the extent of such damage, and furnish to the Institute all the information it may require.

The Institute is bound to communicate to the person proposing insurance, in writing or by telegram, within twenty-four hours from the receipt of the proposal, its decision to refuse the proposal. Should it fail to do so, the insurance is regarded as coming into force on the midday following the receipt of the proposal. In the case where damage by hail occurs before the expiration of this period, the insurance is admitted only if the resulting damage is less than half the total value of the crop.

The insurance ceases to be in force :

(*a*) In all cases (1) if the produce is removed from the holding where it was cultivated ; (2) if the normal date for the harvesting of the crop in question is exceeded by 8 days :

(*b*) Within the above-mentioned limits (1) for stalk plants (wheat, barley, oats, Indian corn, etc.), oleaginous plants and beets from the tenth day after the crop has been cut, mown or reaped ; (2) in the case of vineyards when the fruit has been separated from the vine ; (3) for all other plants as soon as the cease to be planted in the soil.

Article 48 of the conditions of insurance lays down that if any circumstance arises which absolutely impedes the observance of the limits above prescribed, then the limits are extended by the time during which action has been impeded.

(b) *Settlement of claims.* If the insured person has communicated information of the occurrence of damage in due time, the Institute must fix a limit of time for the estimation of the damage, except in the case where the information communicated is considered insufficient. In any event the Institute must inform the insurer as to its decision within 48 hours from the receipt of the notice of damage. The limits referred to above in relation to the validity of the insurance must be considered also as the limits for the estimation of damage.

The insurer must be asked to be present at the estimation of the damage, but the estimation shall take place whether he be present or not.

For damage by hail not exceeding 6 per cent. of the sum for which the damaged holding is insured the Institute will not pay compensation. In addition, Article 43 of the conditions of insurance fixes the following exemptions from compensation :

For damage:

From	7	to	9	%	of	the	sum	insured,	2	%	exempt
,,	10	,,	19	%	,,	,,	,,	,,	3	%	,,
,,	20	,,	29	%	,,	,,	,,	,,	4	%	,,
,,	30	,,	39	%	,,	,,	,,	,,	5	%	,,
,,	40	,,	49	%	,,	,,	,,	,,	6	%	,,
,,	50	,,	59	%	,,	,,	,,	,,	7	%	,,
,,	60	,,	69	%	,,	,,	,,	,,	8	%	,,
,,	70	,,	79	%	,,	,,	,,	,,	9	%	,,
,,	80	,,	89	%	,,	,,	,,	,,	10	%	,,
,,	90	,,	100	%	,,	,,	,,	,,	11	%	,,

But no deduction is made from the expenses incurred for putting the crop to rights, for the threshing, the carriage to market, etc. or from the cost of the valuation.

Dr. Rohrbeck the well-known student of agricultural insurance is of opinion (1) that the scale of exemptions adopted by the Institute encourages the members to claim when the damage is very small, to the detriment of claims which are really entitled to compensation. According to him it would be better to fix the limit of claims and of exemptions at one figure, say 10 or 12 per cent. Generally speaking, the exemptions are designed to discourage the making of trivial claims in connection with which the expenses are out of proportion to the amount involved.

Where stalk plants are damaged by hail before the fruit has formed, in such a way that the apparent damage is equal to at least two-thirds of the sum insured, then the Institute, at the request of the member, must proceed without loss of time to an estimation of the damage, whenever it is possible to undertake a second cultivation of the same crop or of some forage crop, and secure a yield. In such cases the Institute is entitled to deduct, from the amount of the indemnity payable, the net yield of the second crop.

The acceptance of the policy is not a proof of, and does not establish a legal presumption of, the accuracy of the data contained in the policy itself. In the case of damage, therefore, the Institute is entitled to make any enquiry in connection with the loss which it may consider advisable. The member is bound to supply the Institute with complete and accurate information upon any question relating to the ownership of the holding, the yield, or the extent of the damage. At the request of the Institute he must establish the facts by every means in his power, presenting for inspection the farm books or other documents which may assist in establishing the facts as to the sowing and the harvest.

When the insured person is dissatisfied with the result of the first valuation he may demand a second, provided that in the meantime no change has been made in the state of the crop. The cost of any such re-

(1) *Assekuranz*. Jahrbuch, 85 Jahrgang. Wien, 1914. Verlag Halm und Goldmann.

valuation must be borne by the member when no increase in the amount of compensation results from it. In the same way the Institute may, at any time before the product is removed from the holding, order a second valuation to be made and fix the amount of the indemnity on the basis of this second valuation.

§ 4. The transactions of the institute in 1913.

As is shown in the report of the Directing Board of the Lower Austria Insurance Institutes, presented to the Diet of the Archduchy of Austria under Enns on June 24th, 1914, the financial and economic working of the Institutes was favourable, in spite of the fact that 1913 was a year of serious disturbance of the national economy. The growth of the Hail Institute from its foundation in 1899 up to the year 1913, is shown in the following table:

Table I. — *Growth of the Lower Austria Institute from* 1899 *to* 1913.

Year	Number of members	Amount insured	Gross premiums	Claims	Financial results	
					Profits	Losses
			Crowns			
1899 . .	5.146	6.330.948	106.718	34.843	120.819	—
1900 . .	4.688	5.941.660	94.461	150.477	48.196	—
1901 . .	7.674	10.900.074	170.508	150.681	87.418	—
1902 . .	8.492	12.443.019	184.079	291.745	21.308	—
1903 . .	10.060	13.856.276	221.807	222.876	45.870	—
1904 . .	14.936	16.434.974	276.929	90.123	233.290	—
1905 . .	11.196	15.353.139	237.698	411.241	—	6.878
1906 . .	13.620	17.991.214	300.210	354.476	11.626	—
1907 . .	11.766	10.581.785	281.912	391.235	—	9.440
1908 . .	13.029	17.202.693	362.043	365.468	67.704	—
1909 . .	11.741	16.464.856	310.828	772.384	—	146.652
1910 . .	11.323	19.380.158	410.382	635.468	—	46.648
1911 . .	12.588	17.930.403	404.652	427.821	45.918	—
1912 . .	61.233	16.641.292	374.141	252.540	101.296	—
1913 . .	10.307	15.439.040	350.029	359.700	34.419	—

During the fifteen years of its activity the Institute has paid out in claims the sum of 4,910.980 crowns, which is proof that, in spite of the competition of private undertakings, the Institute has become an important

factor in the economic and agricultural development of the region. The diminution to be noted in the last two years in the number of members, the amount insured, and the premiums received, is explained by the serious crisis through which the wine growing industry is passing. When the usual time for concluding the contract arrives, many of the growers have already lost all hope of a good harvest, and therefore renounce their insurance.

In 1913, the Institute received in premiums and supplementary charges the sum of 369,531 crowns, while it paid in claims 328,505 crowns. The Institute does business in 1,503 communes ; the insurances in force numbered 11,818, and the number of policies, 10,307. The difference is explained by the fact that a single policy often covers a number of persons. The amount insured was 15,439,040 crowns ; the premiums received, 350,029 crowns, to which must be added 19,502 crowns derived from contributions to the reserve fund and to the expenses of management. During the year, 3,235 cases of damage were reported from 430 communes, in connection with which, claims amounting to 378,505 crowns were paid, this amount including the cost of the valuations. The whole amount was paid by the month of October.

The figures which follow are interesting. They show the proportion of insurance for the different products, as well as the premiums received and the claims paid for each class.

Class	Products insured	Amount insured	Premiums received	Claims paid
1	Grasses, clover and forage crops	47.570	417.71	6,75
2	Wheat, rye and barley	10.437.849	213.390,21	276.090,23
3	Oats, legumes, maize, hoed crops, mixed cereal crops, cabbages, Brussels sprouts	4.485.343	106.450,29	72.152,76
4	Oleaginous plants, textile plants, millet, grasses and forage plants for seed . .	77.590	3.287,45	3.763,30
5	Beets for seed, and Indian corn	1.098	73,91	4,28
	Vines	369.260	24.901,53	21.777,99
6	Vegetable-garden produce	16.239	1.367,94	4.657,69
	Fruits	4.100	240	52,61
	Total . . .	15.439.040	350.029.04	378.506,61

From this table it appears that the mean percentage of the premium to the sum insured is 2.267 while the percentage of the claims is 2.452. In the previous year (1912) the corresponding percentage were 2.488 and 1.517.

TABLE II. — *Profit and Loss Account of the Institute for* 1913.

Payments			Receipts		
(1) Claims, including valuation expenses	337.942,85		(1) From the previous year's reserves:		
Reinsurance payments	188.971,43	188.971,42	Reserve fund	573.838,01	
(2) Commissions	13.977,35		Fund for the compensation of value of securities	152	573.980,01
(3) Current expenses of management	36.086,84		(2) Reserve for current risks	92,63	
(4) Rates and Taxes	2.560,54	53.124,73	Contribution from reinsurers	46,31	46,32
(5) Bad debts		442,26	(3) State aid		80.000
(6) Lost on the depreciation of securities	16.800	16.800	(4) Premiums received	350.029,04	
(7) Reserve for current risks	562,76		Reinsured	175.014,52	175.014,52
Contributed by reinsurers	281.38	281,38	(5) Income from investments:		
(8) Amount of the reserves at the end of the year:			Interest on securities and on current account transactions	26.202,87	
Reserve fund	573,828,01		Interest on cheques	33,40	26.241,27
Fund for the compensation of value of securities	154	573.980,01	(6) Other receipts:		
(9) Profits		35.419,38	Levied for the reserve fund	5.972,01	
			Contributed to the management expenses	6.765,05	12.737,06
Total	—	868.019,18	Total	—	868.019,12

TABLE III. — *Balance Sheet of the Institute for* 1913.

Assets			Liabilities		
(1) Cash in hand. . .	1.106.09	—	(1) Reserve fund . .	—	573.828.01
(2) Credits with banks and savings banks	3.684.69	—	(2) Compensation fund	—	152
(*a*) Post office savings bank . . .	—	—	(3) Reserve for current risks	562.76	—
(*b*) Credit institutes	196.716.90	201.507.68	Reinsurance contribution	281.38	281.38
(3) Securities at the current price on the exchange at the end of the year	3.997.35	—	(4) Adverse balance of reinsurance account	—	281.38
. . .	3.440	4,031.75	(5) Creditors	—	4.277.86
(4) Bills		1.857.89	Profits on working	—	34.419.38
(5) Credits with agents and members of the Institute	—	6.510.19			
(6) Various debtors .	—	189.25			
. . .	—	613.240.01	. . .	—	613.240.01

From the profit and loss account we see that the working expenses amounted, in 1913, to about 36,586 crowns, of which 25,515 was paid in salaries to the Institute staff; 2,715 in stationery, etc.; 3,580 was paid for work done outside the Institute; 2,197 in postage and telegrams. With respect to the investment securities which, as may be seen, amount to 245,775 crowns, it may be noted that 245,775 represent the value of 41 mortgage securities of the Lower Austria Mortgage Credit Institute; 76,410 refer to 139 shares in the city of Vienna loan of 1898; 77,550 represent the value of 39 shares in another Vienna loan (*Verkehrsanlagen*) of a nominal value of 94,000, crowns; and, lastly, 3,440 crowns are accounted for by the interest on these securities.

The profit on the year's working in 1913 amounted, as has been said, to 34,419 crowns, and this amount was allocated in its entirely to the reserve fund, which increased from 573,828 crowns, on 31st December, 1912, to 608,247 crowns on 31st December, 1913.

The annual reports of the Institute contain, finally, statistics as to the frequency and gravity of hailstorms. In the months from May to September, for example, the days on which hailstorms occurred resulting in claims

for damage, numbered, in 1912, 40 and, in 1913, 42. In 1912, the hailstorms were much more frequent and more serious than in 1913. In the first year they numbered 3,235, with damage to the extent of 378.505 crowns, while in 1913 they numbered 2,625 with a total damage of 252,540 crowns. In order to give an idea of the rush of work which at certain seasons must be undertaken by a hail insurance institute in connection with the rapid and equitable valuation of damage, it will suffice to mention that, in 1912, in a single day of storm — June 6th — 720 claims were sent in for a total of 108,177 crowns. On August 5th, 1912, there were 541 claims ; on August 2nd, 1913, there were 576 for a total amount of 49,845. — and so on. In 1912, the most severe hailstorms, involving claims for 205,482 crowns, occurred in June. In 1913, on the other hand, there were in June only 4 days on which hail fell, doing damage to the extent of 6,209 crowns, and in that year storms were most frequent in August, with 15 days on which hail fell, and a total damage of 137,907 crowns.

Hail represents, from every point of view, a highly variable risk. In 1913, the area affected included 52 court districts, while in the previous year only 41 were affected. The frequency within the different districts also fluctuates greatly from year to year ; for example the district of Kirschlag, in 1912, was visited by storm only four times, while, in 1913, it was visited by storm on ten occasions.

We see, therefore, that the Lower Austria Hail Institute is working under a number of difficulties, due not only to the competition of private enterprises and the general economic conditions of the country, which in recent years have been by no means favourable, but also to the seriousness of the risk which it assumes. From what we have said above it may fairly be concluded that the Institute is meeting a very real need in Austrian agriculture.

Part III: Credit

ARGENTINA.

AGRICULTURAL CREDIT AND THE NEW LAWS REGARDING WARRANTS AND AGRICULTURAL PLEDGE.

SOURCES :

LEYES 9643 Y 9644 SOBRE WARRANTS Y PRENDA AGRARIA Y SUS DECRETOS REGLAMENTARIOS. (*Laws 9643 and 9644 concerning warrants and agricultural pledge and the decrees regulating their execution*). Boletín Oficial, November 20, 1914.

WARRANT Y PRENDA AGRARIA (*Warrant and Agricultural Pledge*). Revista de Economía y Finanzas, N°. 71. Buenos Aires, September 20, 1914.

LA NACIÓN, Buenos Aires.

LA RAZÓN, Buenos Aires.

INTRODUCTION.

The question of agricultural credit has for some time been the object of special consideration in the rural circles of the Republic of La Plata.

While land credit has of late developed in this country to the point of causing numerous difficulties from the immoderate use made of it, it may be said that agricultural credit, in the true sense of the term, namely as the sole support of the simple peasants, is as a rule non-existant. Now, when we consider that in a country formed by colonisation, like Argentina, it is of vital importance to put the agriculturist in a position to apply his energies to the cultivation and exploitation of the land, we shall readily understand that it is most urgent to institute agricultural credit in the Republic, this being the sole method of attaining the object mentioned above.

Numerous bills aiming at solving this question have been laid before the Parliament — those presented by M. Lobos, former Minister, and M. Frers, Deputy, deserving special mention — but either on account of the

difficulties attending their execution, or for reasons of a political and administrative character, none of these bills were converted into legal enactments. It is, however, necessary to point out that most of these bills presupposed the creation of special credit institutions or establishments, and that private capital absorbed by more advantageous investments would with difficulty have been prevailed upon to provide the sums necessary for their carrying out.

Further, the Public Authorities were of opinion that the best method of solving the problem of agricultural credit for the moment, and that most practicable for the agriculturist and most likely to attract private capital, is based on the warrant. This latter representing a real value is an effective guarantee of the credit granted to the agriculturist when his crops are stored and he is in need of this credit, in order not to be obliged to sell them under the pressure of the engagements he has contracted. Firm in this conviction, the Public Authorities accepted the bills of MM. Gallo and Zeballos, deputies, and passed the legislative measures establishing loans on warrants and on agricultural pledge.

The system of warrants on produce deposited in warehouses authorised to give certificates which make possible, by means of mutual guarantees, the carrying out of the operations of the consignment and storing of the produce and the negotiation of the document guaranteeing these loans on security, enjoys great popularity, in view of the fact that the credit rests upon values which are tangible and are safer than personal guarantees.

The greatest difficulty presented by this system of credit on warehoused produce consists in its necessitating technical installations which admit of ensuring to the warrant an industrial value determined by the classification of the produce, its conservation and the facility of keeping it. It is to the absence of these undertakings and these installations that must be attributed the fact that the warrant has not been before established spontaneously in Argentina for agricultural transactions seeing that it cannot inspire confidence, if it is not supported by enterprises whose guarantee assures the security of this form of credit. If this condition, which is indispensable to the warrant, is wanting, it is impossible to negotiate it, for no one can have confidence in a tangible value if its classification and the conservation of the produce are not guaranteed.

The provisions enacted by the Public Authorities answer this requirement, by providing that the authorised depôts must possess the means and technical installations necessary for conserving and classifying and for ensuring the hygienic condition of the buildings, in order that the lender may entertain no doubts as to the security of his credit, a primary condition, if capital is to take up this class of operations.

But the credit represented by warrants, viz., credit on produce which is already harvested and stored, does not include, or resolve, the whole problem of agricultural credit, for it does not furnish the money required by the agriculturist for the cultivation of his land. In consideration of this requirement, the Public Authorities have established loans on agricultural pledge, that is to say, on the machines and agricultural implements, the live-

stock and all the moveable property employed in farming. In this manner the farmer is able to obtain the necessary funds for undertaking agricultural operations. *Per contra*, at the present time, for want of a law regulating these operations, the agriculturist is forced to have recourse to the *acopiador*, the *pulpero*, or some other money lender, who will make him on very disadvantageous and usurious terms a, so-called, friendly loan. The agricultural pledge having henceforth the form and guarantee of a legal operation regulated in a special manner, it will follow that these operations will take normal and moderate forms and will promote its execution.

This credit system based on industrial goods and values at the disposal of the agriculturist, offers an advantage over the personal credit granted by the banks, inasmuch as, by its guarantees and its conditions, it promotes the afflux of private capital, without which all the provisions relating to agricultural credit would be useless, until sufficient capital could be obtained to devote to this special purpose. For this reason, in drawing up the provisions of which we are speaking, great care has been taken to assign to this form of credit the same guarantees as in the case of the warrant.

To recapitulate : the credit obtainable at the present time by a small agriculturist in Argentina, before coming into his hands passes through those of a series of middlemen who rob him. The Government, by establishing the system of warrants and agricultural pledges, purposes to remove this inconvenience by inducing the capitalist to transact directly with the agriculturist the operations which he now effects through the channel of these intermediaries.

We will now set forth the principal provisions of laws Nos. 9643 and 9644 of October 15 and 19, 1914 dealing respectively with warrants and agricultural pledges.

§ 2. Law 9643 concerning warrants.

This law provides, in the first place, that the credit operations on fruit or agricultural produce, the products stock-breeding, forestry and mining, or national manufactures placed in the fiscal warehouses, or those belonging to third parties, shall be made by means of " deposit certificates " and of " warrants. "

Private stores and depôts, according to the present law, can only give deposit certificates and warrants after the previous authorisation of the Executive Power, which can only be granted after giving evidence of : (*a*) the capital with which they are established ; (*b*) the conditions of security, the measures taken against fire and the causes of deterioration affecting buildings and the insurance relating thereto ; (*c*) the form of management, the system of supervision, of classification and of the hygienic measures which will be adopted in the stores ; (*d*) the maximum charges to be levied for deposit and other operations connected therewith, such as insurance, hand-

ling of cereals, cleaning and drying seeds, etc.; (*e*) the obligations of the management relating to the entry and exit of goods, or produce, the conservation of the latter, and the responsability in case of loss or damage ; (*d*) the names and addresses of the representatives of the company or depositary.

It is absolutely forbidden to the depositaries, to whom the present law refers, to buy or sell fruit or produce of the same kind as those mentioned in the deposit certificates or warrants, that they issue. The Executive Authority shall not grant the permission required by the preceding section to those who or shall withdraw it, should the case occur, if the prohibited operation has been carried out subsequently to the said authorisation.

Depositaries issuing warrants, who shall wish to discount, or negotiate this class of effects, shall only be permitted to do so with the authorisation of the Executive Authority and under such conditions as the latter shall determine.

The depositaries shall insure against fire, at the expense of the depositors, the goods received, in the manner determined by the regulations of the Authorities.

On delivery the fruit or produce deposited, the management of the store in question shall give, at the request of the depositor, a deposit certificate and a corresponding warrant, giving the date of despatch, the name and address of the depositor, the name of the store and the signature of the manager, together with the class of the produce, its quantity and weight, the class and number of the packages, their quality and condition, their approximate value and all information serving for their identification, according to the practice established in the trade of the respective kinds of produce, the amount for which they are insured, the name and address of the insurer, the length of time of the deposit, etc.

In order that the deposit certificates and warrants relating to fruit or produce deposited may be issued, it is necessary that :

(1) The said effects be insured, either directly by the owner, or by the medium of the depositaries issuing the said certificates, or warrants, in conformity with section 2, paragraph (*d*).

(2) That their value be not less than five hundred pesos of the national coinage.

(3) That they be free from all charge or legal seizure notified to the manager of the depôt ; otherwise they shall be considered as non-existant.

The warrants shall always be non-transferable. The first endorsement of the deposit certificate, or of the warrant, as the case may be, shall be written on the back of the document in question ; it must for its validity be entered on the books of the depositary issuing it, within six days.

The effect of endorsement, as far as the deposit certificate is concerned, is the transfer of the ownership of the property to which it refers, together with the charges that will be due in the case of the existence of a negotiated warrant, and if it is a question of the warrant, the credit rights of the said warrant.

Once the warrant has been negotiated, the amount of credit, the name and address of the lender, the date of its falling due and the place of payment

shall all be entered on the back of the certificate of deposit. Every beneficiary of a certificate of deposit, or every holder of a warrant, shall have the right to examine the goods deposited and set forth in the said documents; he shall be able to take samples, if the nature of the goods permits, and in the proportion and manner which shall be determined by the decree regulating the execution of the law.

The owner of the deposit certificate, when he is distinct from the holder of the corresponding warrant, this having been negotiated, can before the repayment of the loan falls due. repay the amount of the warrant. The creditor of the warrant shall have the right of demanding, as soon as it falls due, the payment of the value consigned, upon the presentation of the warrant alone.

If the warrant has not been paid when the bond falls due, the creditor shall demand within ten days from the date of its falling due, the sale by public auction of the goods to which the said warrant refers, to cover his credit and make good his claim. The depositary who shall give up the goods subject to a warrant, to the prejudice of the owner, or creditor, as well as the depositary who shall alienate, or take away from the deposit, treating as his own property the goods deposited, shall incur a fixed penalty varying from two months to ten years imprisonment according to the gravity of the offence.

§ 3. Law 9644 concerning agricultural pledge.

According to the provisions of this law, which as we have said, is complementary to the preceding one, the constitution of an agricultural pledge may bear on:

(*a*) Machines in general, agricultural implements and tools; (*b*) live stock of all kinds and their produce as moveable property applied to farming; (*c*) crops of every kind corresponding to the agricultural season when the contract shall be made, whether hanging, standing, or separated from the plant, as well as forests, the products of mines and of national industries.

The goods appropriated to the pledge shall guarantee to the creditor by special privilege the amount of the loan, the interest and costs in the terms of the contracts and of the provisions of the law. For constituting a pledge on fixtures by assignment by the owner of the property of which they formed part, in the case in which there is a mortgage on this property, it will be necessary to obtain the consent of the holder of the mortgage.

The privilege of the holder of an agricultural pledge certificate which shall be valid for two years from the date of registration on the terms laid down, shall be extended to the insurance compensation in the case of accident and to the compensation which it will be necessary to pay for loss, or deterioration, of the goods pledged. The debtor shall retain possession of the agricultural property pledged in the name of the creditor. His duties and civil responsibilities shall be those of the ordinary depositary.

The agricultural privilege shall not affect the privilege of the landowner as regards the amount of a year's rent which is due, or the sum payable in kind for the use or enjoyment of the thing during the same time, if the debt is prior to the constitution of the pledge, provided that the contract regarding it, in whatever form it has been drawn up, has been entered, prior to the pledge contract, in the register created for this purpose by the law under review.

The contract of agricultural pledge can be effected by a public or private deed, but in both cases it shall be effective as regards third parties from the day of its entry in the public register, which shall be kept in the national, or provincial, offices to be selected by the Executive Authority and according to special regulation drawn up by the latter.

When the entry is made, the registration officer shall give a certificate containing the names of the contracting parties, the amount of the loan and the date at which it falls due, the nature, quality and situation of the pledged objects, the date of entry and other details.

When it is a question of herds, or animal produce, the certificate shall specify the class to which the animals belong, the degree in which they are cross-bred, their number, age, sex, marks and distinguishing signs, and as regards produce, the quality, weight or number.

The law forbids the debtor who shall have entered into a contract of agricultural pledge to make any other contracts regarding the same objects, unless with the agreement of the creditor, or by means of a new contract sanctioned by him.

The pledged animals shall not be allowed to be removed outside the farm, or the place of breeding, to which they belonged at the time of the constitution of the pledge, nor from the radius of the registration jurisdiction where the pledge is registered, unless the registration officer mentions the fact in the deed of constitution and notifies this transference to the creditor, the endorser and the officer charged with giving the "guías" (permission).

The violation of this clause, which shall be inserted in the deed of constitution, shall be regarded as a fraud, or misdemeanour, according to the case, and shall expose the delinquent, and the person who shall negotiate with him concerning this live-stock to the penalties laid down in the law.

The entry, which, as we have said, preserves the privilege of the pledge for two years, shall be barred by the simple lapse of this term. The entry can always be cancelled at the request of the debtor on the production of the pledge certificate endorsed by the last holder.

Fruit and the products of live stock and agriculture can be sold by the debtor at the time when they are ready for sale, but the buyer shall not be able to have them delivered, either wholly or in part, before having first paid to the creditor the amount of the repayment represented by them, and this payment shall also be mentioned on the back of the pledge certificate.

The debtor of the agricultural pledge shall be able at any time to free himself from the obligation on the property referred to in the contract, by

paying into the official bank nearest to where the property is situated, to the order of the legitimate holder of the certificate, the amount of the loan and of the accessory obligations therein recorded and by presenting the deposit-form to the registrar for it to be entered and deposited in the archives.

The agricultural pledge certificate is transferable on endorsement. The latter shall include the date, name address and signature of the endorser and endorsee. All such persons as shall sign and endorse an agricultural pledge certificate shall be jointly responsible. The endorsee shall have the endorsement registered in the pledge register.

The agricultural pledge certificate shall carry with it executive power to put into effect its privilege on the pledge and, if necessary, on the insurance and to oblige the debtor and endorsers to pay its amount, the interest and costs.

While this contract shall remain in force, the creditor shall be able to verify the state of the property pledged and he is permitted to have a clause inserted in the said contract to the effect that the debtor shall periodically transmit to the creditor an account of the said property, as well as of the bill of the sale of the live-stock, crops and produce at suitable times, on the basis that, in every case, their price shall be used for the payment of the debt ; this will be mentioned in the corresponding certificate.

According to the law, every agreement is void which shall permit of the creditors appropriating the pledge without legal sale, or which shall lead the debtor to renounce the formalities of execution in default of payment.

The debtor who shall cede the property affected by the agricultural pledge, to the detriment of the creditor, who shall dispose of pledged goods in spite of his obligation, or shall pledge the property of others as his own, or pledge goods as free when they are encumbered, shall incur penalties, varying from two months' arrest to six years' imprisonment ; and this without prejudice to the liabilities which, in such a case, shall devolve upon the depositary, according to common law.

FRANCE.

ORGANIZATION AND WORK OF THE REAL ESTATE CREDIT SOCIETIES.

OFFICIAL SOURCES :

MINISTÈRE DU TRAVAIL. CONSEIL SUPÉRIEUR DES HABITATIONS À BON MARCHÉ : RAPPORTS ANNUELS AU PRSÉIDENT DE LA RÉPUBLIQUE (*Department of Labour. Superior Council for Cheap Dwelling Houses. Annual Reports to the President of the Republic*).

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D'AVOUT (Bernard) Vers la petite propriété. Le crédit immobilier en Belgique et en France (Thèse) (*In the Direction of Small Holdings. Real Estate Credit in Belgium and France*, (*Thesis*). Dijon. Durantière, 1914.

§ 1. FIRST LAWS ON THE HOUSING OF THE PEOPLE IN FRANCE.

The first French Law on Cheap Dwelling Houses was that of November 30th., 1894. There were at the time 26 philanthropical societies for the building of cheap dwelling houses. They owed their origin to the publicity given to the subject of the housing of the people by the Universal Exhibition of 1889 which led to the foundation of the French Cheap Dwelling House Society (*Société française des habitations à bon marché*). This society was the centre of study and propaganda in which originated, on the one hand, all the French legislation on the matter, and, on the other, the many building societies of which we are about to speak. The 1894 law was drafted in the offices of the Society after the examination of Belgian law of 1889 by many of the members. The object was, with the assistance of local committees only for purposes of propaganda, to encourage the building by private persons or societies of cheap and healthy houses, for lease or sale to persons living only on their earnings ; by cheap houses were

intended those the rateable value of which did not exceed $^1/_{10}$ th. of a maximum varying between 90 francs in communes of less than 1,000 inhabitants to 375 fr. in Paris. Charitable institutions, asylums and hospitals were authorised to invest $^1/_5$th. of their capital, and the Deposit and Consignment Bank $^1/_5$th. of the reserve fund of the savings banks in loans on mortgage or bonds of the societies. Temporary insurance guaranteed the payment of instalments due on the death of the policy holder and thus assured the permanent possession of the house to his heirs.

The law was found insufficient, for, on March 31st., 1906, there were only 98 societies working in France. They had spent 18,000,000 frs. allowing of the housing of between 18,000 and 20,000 persons under exceptionally cheap and healthy conditions. Very few patronage committees were formed. The savings banks contributed only 2,261,000 frs. in 1902. The charitable institutions and asylums seemed to take no interest in the matter. Altogether the results expected were not realised. A rehandling of the law was necessary. But its general character deserved to be respected; the institutions organised by it and the benefits afforded by it were to serve as the basis of future legislation.

The law as recast in 1906, at the instance of M. Strauss, was improved in many respects, but the application was rendered difficult by the introduction of new provisions and formalities.

The law of April 12th., 1906 ordered the formation of patronage committees in every department; they became organisations for supervision as the sanitation certificate necessary before the benefit of the fiscal exemptions could be obtained had to be given by them. The law amended the definition of the cheap dwelling house: its occupants had to be "persons of small means, especially workmen living mainly on their earnings," whilst the 1894 law was only applicable to persons not already in possession of a house. The house had to be healthy, and cheap and its renting value would be the criterium of its cheapness; this was to vary between 110 and 550 frs. a year for tenement houses and a fifth more for self contained houses; the renting value was to be calculated according to the actual rent or at a fixed rate of 5.56 % of the real cost price of the building.

It was necessary to assure to the builders of cheap houses a very considerable capital, but at a rate that would not attract capitalists. The 1906 law appealed to all institutions obliged to content themselves with small because safe returns; it authorized most of the philanthropic associations to build or lend for the purpose; charitable institutions, asylums and hospitals might invest the fifth of their capital in this way; the savings banks all the interest on their personal estate and the fifth of the capital, in paid up dwelling house society shares or in loans on mortgage to persons desirous of purchasing or building houses in accordance with the law. The Deposit and Consignment Bank had still the same powers as was granted it by the 1894 law. The principal innovation was that authorizing the departments and communes to subscribe bonds of the dwelling house societies and even shares on condition of their being fully paid up and not exceeding two thirds of the amount of the share capital, to

contribute land and buildings, and to guarantee up to 3% the dividends on shares and the interest on the societies' bonds.

The cheap houses were to be exempted from certain taxes for 12 years. The societies were to be exempt from various taxes and duties. The life insurance clauses were maintained. Further, as by the provisions of the Civil Code the house must be sold when there are minors among the heirs and the other heirs desire that the property be divided, the 1906 law, with a view to keeping the house for the family, provided that the property should remain undivided at the desire of one of the heirs, for five years from date of decease of the father of the family, with the possibility of the period being extended.

We see by the above account that the 1906 law did not differ much from the 1894 law; it was in accordance with its plan and its intention and completed it, remedying its defects. The movement in favour of cheap houses was accelerated ; not, however, that it did not seem necessary to attempt to do better still ; for two important defects might be observed in the 1906 law; its field of action was too limited and the financial means at the disposal of those interested were not sufficiently large.

The 1906 law only applied to gardens, 5 ares in area, adjoining houses, or 10 ares in one locality belonging to the same owner ; so all its benefits were reserved for urban employees and artisans; apparently it was forgotten that, if the situation of the urban population called for speedy intervention, it was not right to ignore the fact that the conditions of house accomodation in the country were no better, and the rural exodus was creating very serious dangers for agriculture. Many urban labourers find it hardly to their interest to possess a holding they have neither time nor inclination to cultivate, whilst in the country the possession of a field in addition to the house is a necessity. This defect did not escape M. Ribot, " Must we ", said he, " be resigned to abandon to their misfortune all the upright and industrious labourers who have a love for the soil, and are prepared to make the greatest sacrifices to obtain a parcel of land and build a house on it ? If we find a means to grant to all labourers, who when they marry have no other fortune than their arms and their good will, the possession of at least a home and a garden, we shall have done a good deal to ensure social peace and to arrest as far as possible the movement which is leading the labourers to abandon the country. "

What means could be found ? The legislator had not sufficiently considered the need for money; he had not seen clearly that a supply of capital is essential for the development of the institution of cheap dwelling houses. In 1910 of the 245 savings banks that answered the list of questions sent them by the French Cheap Dwelling House Society, 215 said that they had given no assistance to the work ; the other 30 had placed at the disposal of the societies between the beginning of the movement in 1887 and the year 1896, a total amount of 5,182,353 frs., while the law allowed them to use for the purpose nearly 35,000,000 frs., as their capital amounted to 170,000,000 frs. At the end of 1910, 121 banks had a little more than 9,000,000 frs. invested in this way, and a certain number of

them had exhausted the credit opened to them by the law and were unable to continue to assist the work owing to the limitations imposed by the law.

As regards the charitable institutions, except for a few isolated efforts such as that made by the Paris Public Assistance, they almost all abstained from assisting. An investigation ordered by the Minister of the Interior in 1907 revealed that a single charitable institution had granted a loan of 2,500 frs. and two others were on the point of following its example. The departments and communes have profited little by all the possibilities opened to them by the law of 1906. The annual reports made to the Minister of Labour by the Prefects mention only three times between 1906 and 1910 cases of departments or communes making use of their right of intervention. As they have little surplus capital, they are more disposed to borrow than to lend.

The Deposit and Consignment Bank refused to grant loans, even on mortgage and to subscribe shares ; if it lent to societies, it was through the medium of the *Société de crédit des habitations à bon marché*. Between 1894 and 1907, it had lent in this way only 5,000,000 frs. to 44 societies, while the amount of its capital exceeded 200,000,000 frs.

With regard to the State, its rôle was limited to granting fiscal exemptions ; the amount of its sacrifices in this way came in 1910 to 302,318 frs.

The funds at the disposal of the cheap dwelling house societies or the labourers themselves were therefore insufficient. The law had not led to a large supply from the accumulated reserves of the public wealth, for the public was not interested in the work. Now, for want of sufficient credit offered to them, the parties concerned maintained a prudent reserve and there was nothing in France to be compared with the popular enthusiasm which a few years before had covered England with Building Societies.

Effort was then made to discover a new institution to provide small holdings, gardens, fields and dwelling houses at a small cost, and the law of April 10th., 1908 was passed, based on the Belgian system of real estate credit for the people with the help of advances from the General Savings Bank.

§ 2. The law of April 10th., 1908 and its results.

This law organised a system of long term loans at very low interest for purchases of fields, gardens or self-contained houses. These loans were granted by special societies, the real estate credit societies, which receive advances from the Government for the purpose at the rate of 2 %. The State obtained the funds for the purpose by means of advances made to the Treasury by the National Old Age Pension Society ; and in order that the latter might not lose by this interest, the State refunded it each year the difference between this 2 % and the 3 $^{1}_{2}$ % fixed as the rate of interest

of the Pension Society (1). The whole amount of the advances the State might make under these conditions was not to exceed 100,000,000 frs.

The real estate credit societies were to be constituted under the form of limited liability societies with a minimum capital of 200,000 frs. ; only half the amount of their shares had to be paid up. As a rule these societies were regional ; however, local societies could also benefit by the provisions of the law. Like the cheap dwelling house societies, they had to get their rules approved by the Minister of Labour, and in these rules the dividend was limited to 4 %. They could not conduct other business than that of loans on individual mortgage for the purchase of a field, garden or self-contained house.

They might, however, grant loans to cheap dwelling house societies for operations conducted by them in conformity with the present law. The rate of interest was not to be more than 3 ½ % on loans to individuals nor 3 % on those to societies.

In order to benefit under the provisions of the law, the labourer had in the first place to prove to the society that he already possessed at least one fifth of the purchase price of the land or the house, as the law only allowed him to borrow $^4/_5$ths. of the price. He had then to accomplish certain formalities ; supply a certificate to show that the operation come within the scope of the law (that is to say, that it related to a field, that the purchase price did not exceed 1,200 francs nor the area a hectare ; in case it referred to a house, that its renting value, calculated at 5.56 % of the cost price did not exceed the limits laid down in the law of April 12th., 1906) ; furnish a sanitation certificate; be medically examined with a view to insuring his life with the National Insurance Society, as the law obliged him to do, in favour of the society lending, so as to guarantee payment of the instalments still due at date of his death.

It seemed that, after this law was voted, real estate credit societies would be founded everywhere. However, nothing of the kind happened ; in October, 1908, M. Ribot founded the first society at Arras ; two months later, M. Siegfried in his turn founded one at le Havre and it was not till the end of 1909 that the third was founded at Dieppe. Certainly, efforts were made in various departments, but it was not possible to get together the 50,000 francs the law required for the legal constitution of a society. In 1910, one was founded at Belfort. In 1911, the movement acquired a little more importance in succession at Pau, Nancy, Lille and Bordeaux. But if we compare the rate at which societies were founded in France, where, in the first three years during which the law was applied, only a total of eleven societies was reached, with that realised in Belgium where, in the same length of time, 26 societies had begun working, we shall understand that it was necessary to modify certain of the conditions laid down in the law.

(1) The difference between the interest on the amounts borrowed and that of the loans is shown on the Estimates under the head of Encouragement of the Acquisition of Small Holdings. On 100,000,000 frs. borrowed the State paid 1,500,000 frs.

It was with the object of removing some of the difficulties that, in the same year 1911, the Central Real Estate Credit Society was founded. It was regulated by law of April 10th., 1908, and its share capital was fixed at 200,000 francs; its field of action extended to the whole of France, wherever no real estate credit societies existed. Its object was to assist the small societies which had not been able to form a capital of 200,000 francs; it required them to constitute themselves as cheap dwelling house societies in accordance with provisions of the law of 1906; the only condition imposed on them was the subscription in advance of the shares of the Central Society, which at once placed at their disposal at a rate of 2 ½ % an amount equal to seven times their contributions. The labourers had to apply to a cheap dwelling house society, which would place at their disposal, under the form of individual mortgage loans, the funds received from the central society. Thus the central society united the small societies in a sort of federation and acted as intermediary between them and the State. As they were regulated by the law of 1906, they had the great advantage of not being bound to possess a minimum capital of 200,000 francs.

In substance, the 1908 law had not been bold enough, and the labourers had been obliged to have recourse to the medium of societies the constitution of which was made difficult by the necessity of their having a share capital of 200,000 francs. It was not desired that small societies should come into relation with the Pension Societies, but all the difficulties in the way of the subscription of 200,000 francs and the payment of 50,000 francs had not been sufficiently considered. In this way, on account of the minimum of capital being too high, the credit societies could only be formed in industrial regions. The founders, also, had exposed themselves to blame, for they had too often neglected to explain to their future shareholders that they did not ask for 200,000 francs paid up, but only 50,000 francs paid up out of 200,000 francs subscribed.

The competition of capitalists was prevented by the prohibition of the shares being fully paid up and they had the certainty that, if the law allowed of their receiving 4 % interest, it was evident none of the credit societies could pay such a rate, while under the obligation of forming a reserve fund and investing their capital in Government annuities or similar securities; they considered it also very hazardous to advance nearly 80 % of the value of the cheap houses, when most of the land credit institutes do not engage their funds for more than half the value of holdings of greater importance. On the other hand, how could a credit society meet its large expenses by means of a difference of 1.5 % in the interest? Subscription of the shares could therefore only be a matter of philanthropy.

The law had further provided that the credit societies should be regional.

This presented serious difficulties, the two principal points to be considered in regard to the authorisation of loans being the moral character of the borrower and the value of the mortgage security. Now an accurate appreciation of these two points is necessarily impossible in the case

of regional societies unless they have at every place within their field of action committees to facilitate the work ; they are too far from the borrower and not in a position to supervise the work of building.

There was another mistake in that the amount for the Government loans was fixed at too low a figure : a credit society might not receive advances to an amount of more than four times its paid up capital and once the amount of its capital not paid up, that is to say, a society with a capital of 200,000 francs, 50,000 frs. of which were paid up, could not obtain more than 350,000 francs in advances. It seemed therefore necessary to increase the amount of the loans from the State. Finally, the law required too many formalities. It demanded of the borrower four certificates : a certificate from the doctor, another from the direct taxation department, one from the Cheap Dwelling Houses Patronage Commitee, and one from the Prefect. And it was so clearly recognised that the formalities might drag on for a considerable time, that one of the articles of the law even gave the persons concerned the right to apply to the Minister of Labour, if the Patronage Committee neglected to deliver the certificate within three months from date of application. Fortunately, the law was only considered as an attempt to be improved upon. When the weak points were known and the defects revealed by use, it was easy to remedy them. This was the intention of the Law of February 26th., 1912, amending that of April 10th., 1908.

§ 3. Law of February 26th., 1912.

This law aimed at decentralising the societies, simplifying the formalities required by the Government for the grant of the loans, increasing the possibilities of borrowing for the societies and securing the maintenance of their purely philanthropical character.

(a) *Jurisdiction of the Societies.* — We have seen that the law of 1908 above all contemplated large regional societies for the encouragement of small holdings, though, as an exceptional matter, it made provision also for local societies.

The law when applied revealed that even the Department is too large a field for the effectual working of a real estate credit society. The confidence such a society inspires rests in the first place on its relations to persons who know each other ; it must work in a limited field, in order to be able to exercise effective supervision over its clients. In fact, most of the societies had limited their operations to an arrondissement, and it seemed that this was the sphere in which they could best develop. Taking account of these results of experience, the framers of the 1912 law avoided any indication of the field of the societies. It was left to the founders of a real estate credit society to fix the limits for its field of operations, subject to the approval of the Superior Dwelling Houses Board and the Minister of Labour.

(b) *Reduction of the Share Capital.* We saw that the 1908 law established a minimum capital of 200,000 francs for the societies. It was often difficult to get together the 50,000 francs immediately necessary, above all when only such subscribers could be counted on, who, with philanthropic intentions, subscribed a hundred or some hundreds of francs on shares.

The law of February 26th., 1912 reduced the amount of capital these societies had to have before they could be approved by the Minister from 200,000 frs. to 100,000 frs. subscribed, and the amount to be immediately paid up from 50,000 to 25,000 frs.

At the same time the law allowed payment in full of the shares without previous authorisation (under the 1908 law, only half could be paid up). There was in fact nothing to prevent the shareholders utilising for loans the whole amount of the capital subscribed for the purpose. The object of this provision was to facilitate the subscription of shares by charitable and mutual aid institutions, asylums and hospitals, savings banks, departments and communes, collective bodies which may only subscribe fully paid up shares.

(c) *Power of Borrowing.* — In order that a credit society may work, the first condition is that it must possess the money. Now we have seen that the State advances were quite insufficient.

The possibilities of borrowing were increased for the societies, by the extension of the legal basis of the guarantee in accordance with which the amount is calculated. The guarantee rests on the following bases: (1) half the subscribed capital remaining to be called up (this capital not paid up is a permanent credit against the shareholders; by only calculating it at half its value, every risk is avoided); (2) the amount of State or State guaranteed securities, belonging to the society, deposited with the Deposit and Consignment Bank (these funds are derived from the paid up capital, the reserve funds, and the loans accorded by the State, not utilised for the grant of loans. The two conditions of their investment in State securities and their deposit with the Deposit and Consignment Bank constitute a guarantee of their value); (3) the value of the real estate given in security of mortgage debts. The Real Estate Credit Societies demand mortgage security from their debtors; this guarantee must not be fictitious, for the societies only lend when the borrower has proved his title. The value of the pledge, which may, if necessary, be converted into money, was at the start a fixed amount; the security increased in proportion as the borrower paid off his debt by monthly instalments. The 1912 law decided that account should only be taken of mortgage debts up to the amount of at most six tenths of the purchase or cost price of the real estate given in security; this proportion would be raised to seven tenths of the price, if the commune or department guaranteed payment of the annuities corresponding with the additional loan of the seventh tenth. Thus, supposing a society has granted loans on mortgage for 400,000 frs., the real value of the security is 500,000 frs., since the borrowers have proved their possession of 100,000 frs. The real estate credit society can, on this security, borrow from the State six tenths of 500,000 frs., or 300,000 frs. On the

guarantee of the Department or the Commune, it will borrow seven tenths or 350,000 frs. Let us add that to guarantee the maintenance intact of the mortgage security for the loan, the law provides that "during the period in which the loan is being repaid the real estate credit society can make no transfer of mortgage debts without the authorisation of the Commission for the Grant of Loans instituted at the Department of Labour"; (4) the premium reserves, in the case of life insurance policies for which the societies have advanced the premiums.

Their power of borrowing being established on these lines permitted a larger extension of the societies' business. The borrower provided two tenths, the State seven tenths, the society had only to lend one tenth. In its first year, a society with 100,000 frs. subscribed and 25,000 frs. paid up might borrow 287,000 frs. from the State; then, from year to year, the amount increased, because in proportion as the instalments were paid, the power of borrowing increased. New operations could be conducted; the advance was not arrested, so that, in its twentieth year, a society which had 25,000 francs paid up might have received a sum of 2,494,000 francs from the State and owe it 1,538,000 francs. There was no reason for anxiety in regard to this, for, while the State advance increased in amount, the security increased with greater rapidity.

(d) *Limitation of the Rights of the Shareholders, Utilisation of the Reserve Fund.* — Thus the State advances reached considerable amounts and enormous reserve funds were formed, thanks to which the societies could, while they increased the security they offered to the State, extend their business without increasing their capital; but in view of such considerable advantages, the need was felt of forbidding the societies, on their expiration or on their premature dissolution, to distribute among their shareholders more than the amount of the capital paid up by each of them, increased by the amount of half the same capital. A shareholder, who had subscribed 4,000 francs and paid up 1,000 frs., could not in future receive more than 1,500 francs. The surplus profits had to go to real estate credit societies designated in the general meeting winding up the society and thus continue to serve the purpose for which the funds were originally granted by the State. This limitation had to be imposed, if it were desired to prevent any possibility of speculation in the work of the credit societies and hinder the shareholders from dividing amongst themselves too large a net capital, by causing the premature dissolution of the society while still quite prosperous. This rule was not made applicable to the societies already in existence, but the State would only grant loans in future to societies that had brought their rules into harmony with it.

(e) *Formalities.* — We have already seen that the borrower had, before the loan could be concluded, to produce a certificate from the Government that he had satisfied the conditions imposed by the 1906 law; we have seen that the necessity for the prefect to consult the Patronage Committee led to delays of a kind to prevent the execution of the law. The intervention of these two authorities, besides, was not really important, since it was merely a question of proving the existence of an

engagement by which the would-be borrower undertook to cultivate the holding himself or get it cultivated by his family, establishing that the purchase price did not exceed that contemplated in the law, and making sure that the conditions in regard to the renting value in the case of houses, were fulfilled.

Hence, it seemed that the law might without disadvantage, omit the necessity of consulting the Patronage Committee, and, at the same time, relieve the prefect of the duty of granting certificates for the whole department.

In order as far as possible to render the accomplishment of the necessary formalities a speedy matter, the prefect's intervention was suppressed completely and the preparation of the certificates, to serve as evidence to the State that the renting value of the real estate had not been exaggerated, was entrusted to the direct taxation officers. By the substitution of these officers, the real estate credit societies obtained the certificates on the spot and without delay. The Patronage Committees also were no longer consulted.

A similar anxiety to reduce the delay and the formalities as far as possible had led to the relaxation of the conditions under which the sanitation certificate required before any house could be purchased, was granted. The 1906 law had provided that this certificate must be delivered by the Patronage Committees which were given a period of three months in which to examine the plans. The 1912 law provided that in the department where it was rendered possible by the action of the Committees, the certificate had to be produced immediately, but to prevent any still possible delay, the borrowers might supply its place by a provisional certificate, delivered without delay in each commune by a delegate of the Patronage Committee. This delegate was to be, either a member of the Committee, or an architect or engineer in the service of the department or the communes.

The law even made provision for the case in which the provisional certificate was irregularly granted and the Patronage Committee found itself unable to grant the final certificate ; in such case, the credit society might make the loan, but the party concerned would have no right to the exemptions from taxation.

Such were the changes introduced by the law of 1912 in that of 1906. Of course in respect to all the other unamended provisions, the earlier law is still in full force.

§ 4. Supervision of the real estate credit societies.

In order that the State might be certain that the law was properly carried out and that the amounts lent produced the maximum benefit possible, supervision was necessary. This is exercised by the Union of Real Estate Credit Societies, to which all but two or three societies adhere. Each of them contributes 60 frs. a year to the Union, as well as 50 centimes

per thousand of the amount of its loans in course ; this sum goes to pay the inspectors chosen from among the managers of the cheap dwelling house societies.

In addition to this supervision, the Union has also to promote the application of the laws on cheap houses and real estate credit, to extend the action of the credit societies and to encourage the formation of new ones, to facilitate for the societies the collective study of the conditions for the improvement of their working, the defence of their interests and the search for desirable progress.

Members are admitted by vote of the federal council. The Union reserves the right, in case a society does not accurately fulfil its engagements or when the inspectors have reported unfavourably upon it, to remove the name of such society from its list of members.

Relations between the societies and the Union are carried on in various ways : first of all, through the delegation of three members per society to the general meeting, each of them having one vote and as many additional votes as there were 200 loans in course on the December 31st. preceding, up to a maximum of three votes. At the head of the Union there is a federal committee of from nine to fifteen members elected by the General Meeting for six years from among the delegates. The federal committee elects from among its own members, its president and vice-presidents, who, with the secretaries and treasurers, form the bureau of the committee. It meets every three months ; it has the most extensive powers for the administration of the holdings and of the business of the Union, except in regard to purchases, sales or exchanges, which require to be ratified by the general meeting.

We have said that the principal duty of the Union is to exercise supervision over the societies. The federal committee selects for the purpose one or more inspectors from among the members of the adhering societies or not. It is their duty to assure the perfect working of the affiliated societies and to see if they are administered as practically and prudently as necessary. They have the right to examine the accounts and the safe of each society and to ask for all the information they may think useful. There is no fixed date for the inspections : they are held as often as the federal committee or the inspectors themselves consider desirable. After the inspection has been made, the inspector at once sends his report to the President of the Union who, in his turn, after communication with the society concerned, forwards it to the Minister of Labour.

Independently of this, article 31 of the Law of December 23rd., 1912, makes provision that all the societies receiving loans at the reduced rate sanctioned by the 1908 Law are subject to the supervision of the Inspectors of Finance, up to date of the complete repayment of the Government loan. Another Decree of May 3rd., 1913, in its VIIth. Chapter deals again with the supervision exercised by the Inspectors of Finance. The inspectors shall notify the President of the Board of Management of the society of the inspections they intend to make, so as to enable him to be present. They shall communicate their observations to him and forward

them with his replies to the Minister of Finance, who will forward them on to the Minister of Labour. The agents of the societies must give their assistance for the purposes of the examination, they must show their cash and securities and all books and documents the inspectors may consider useful for the purposes of the examination.

Let us add that in another department the Decree we have just mentioned introduces an important change in regard to the rate of interest on loans : formerly there were only two rates : 3 ½ % and 3 %; henceforth there will be three : for direct loans to private persons the maximum will be 3 ½ % ; for advances to limited liability cheap dwelling house societies, 3 % ; for advances to co-operative dwelling house societies, 2 ½ % ; cheap dwelling house societies may borrow at 3 %. The Decree of May 3rd., 1913 distinguishes between limited liability and co-operative societies ; new rules being issued in regard to the relations between real estate credit and co-operative societies.

These rules are to be found in the law of December 23rd., 1912.

§ 5. Law of December 23rd., 1912.

The increasing cost of labour and of all materials had rendered the maximum renting value fixed by article 5 of the law of April 12th., 1906 insufficient, and experience had revealed certain abuses, for example, the lease of rooms and kitchens at Paris at 550 francs, although enjoying fiscal exemptions. The law of 1912 therefore fixes, in the case of each house, a minimum number of rooms corresponding with maxima reduced in proportion to the number of rooms of the lodging.

It raises the value of the self-contained cheap dwelling houses; it was impossible to build at the price fixed in 1906 in the small communes (3,021 francs). The maximum fixed for these for the future is 5,557 francs and in Paris 15,157 francs (instead of 11,870 frs.).

It alters the mode of valuing based on the cost price of the individual houses and fixed at 5.56 % in 1906. Now a cheap dwelling house society can never attain such a revenue. The new law fixes 4 $^{3}/_{4}$ % as the rate for the estimation of the renting value.

The law does not reserve its favours for the societies contemplated in the 1906 law: it extends them to showerbath societies, workmen's gardens societies and of course also to real estate credit societies. It especially encourages co-operative cheap dwelling house societies, enabling them to constitute themselves with a capital of 500,000 francs and increase it each year by a similar amount; it admits them to benefit by the Government advances at the same reduced rate as the real estate credit societies, under certain definite conditions and authorises them to receive from the latter loans on mortgage. The associations of recognised public utility have a right to the same advances from the State at the rate of 2 %, provided all the following conditions are satisfied: first of all a decree of the Minister of Labour is required, after consultation with the Minister of Finance and the

Superior Cheap Dwelling House Board ; the associations must further engage to limit their loans to their members, to conform with all the provisions of the law of April 10th., 1908, amended by that of February 26th., 1912, to grant these loans at a rate not exceeding 2 ¼ % and to deposit in the Deposit and Consignment Bank security to the amount of 100,000 francs in State or State guaranteed bonds. These conditions being satisfied, the National Old Age Pension Bank grants them loans for the account of the State. If the association infringes any regulation of these laws or decrees and cannot give a satisfactory excuse, it may be decided that it shall receive no further advances and the repayment of the capital still due from it may be exacted legally without delay.

Finally, the societies approved have alone the right to style themselves cheap dwelling house societies. This provision has been rendered necessary by abuses ; profiting by the public favour enjoyed by the cheap dwelling house societies, certain undertakings of capitalistic character, inviting the investment of the people's savings, had assumed the name and sought to create for their own advantage a confusion between their business of a purely commercial character and that of the approved societies. Such an abuse had to be put a stop to.

Again : the funds that mutual aid and charitable institutions, asylums and hospitals can invest in building, in loans, subscription of shares and bonds, are now twice what was allowed before : they may amount to $^2/_5$ ths. of their assets. A similar increase is allowed in the case of the savings banks, which may invest half their personal estate in this way. The Deposit and Consignment Bank is authorised to invest $^2/_5$ ths. of the reserve funds of the savings banks in cheap dwelling house society bonds.

The principal innovation in the law is the extension of the rôle of the departments and communes.

These may, in the first place, guarantee up to a maximum of 3 % the interest on the societies' bonds, and for twenty years at most the dividend on their shares. They may further invest their funds in loans, bonds or paid up shares not exceeding two thirds of the share capital, on condition that the house may not be sold for less than cost price or let at rates more than two fifths below the maximum renting value as established by the law, or more than half below it in the case of rooms let to families in which there are more than three children under sixteen years of age, and that the investment of these funds are approved by the Minister of Labour after consultation with the Permanent Committee of the Superior Cheap Dwelling House Board.

The most important amendment consists in the recognition of the right of the communes to demand the institution by Decree of the Council of State of a Public Cheap Dwelling House Office, through which their action may be exercised.

Before this they could assist in the building of cheap dwelling houses, but not undertake it themselves ; they could lend, give and guarantee those building, but could not themselves build. The private society was a necessary intermediary ; if none existed, they were impotent. Briefly, the com-

munes were considered by law incapable of an action of their own, so that there is no reason to be surprised that they were little disposed to give their money to assist others in their work.

However, in this matter, the decision, the undertaking and the costs should be the affair of the Commune ; it is the best judge of its own requirements, and is equipped for the supervision of the work. Henceforth, its intervention will take effect through the Public Cheap Dwelling House Office.

The object of these Offices will be exclusively the planning, building and management of healthy and cheap houses in accordance with the law of 1906, the rendering houses already existing sanitary, the formation of garden cities and workmen's gardens, and in connection with them, localities for the use of the community, such as laundries, showerbaths, infant schools, and playgrounds. All these areas must be utilised for dwelling houses ; however, shops may be established in connection with them, provided alcoholic liquors are not sold.

The offices are public establishments, created by a Decree of the Council of State, at the request of a commune or department, after consultation with the patronage committees and the Superior Cheap Dwelling House Board. They are managed by a board of management consisting of eighteen members ; six appointed by the prefect from among persons competent in regard to sanitation; building or administration of popular dwelling houses; six appointed, by the municipal or by the General Council, according as the initiative was taken by the commune or the department, and six elected, one by the patronage committees, one by the approved dwelling house societies, one by the mutual aid societies, one by the departmental board of health, one by the managers of the savings banks and one by the syndicates' unions.

The board of management may also add to its number two lessees of the houses it administers ; women may have seats on the board ; the services of the manager are not remunerated.

The Board of Management regulates everything with regard to the management, lease and maintenance of the real estate, and purchase and sale of personal estate. The approval of the superior authority is only required for deeds affecting the future and the capital of the Office, such as the sale and exchange of real or personal estate, the acquisition of real estate, plans for buildings and for extensive repairs, the accounts and the loans.

The capital of the Office is formed by means of donations and legacies. At first, the commune or the department applying for its formation must give it a grant of real and personal estate ; if the Office is not secure of possessing from the start sufficient resources to assure its existence, the Council of State will not authorise its institution. In the course of its existence, the commune or the department may grant it free of charge land or houses or make it donations in money. Private persons are entitled to make donations or legacies to it, the latter being subject to a tax of 9 %. The funds of the office may also be increased by loans. The commune and the

department may grant it loans and the agreement shall fix the purpose for which these loans are granted, or guarantee for the whole period of the loan the interest on the amortisation of the loans contracted directly by the Offices. The savings banks, the Deposit and Consignment Bank, asylums, hospitals and charitable institutions may lend to the Offices on the same conditions as to the cheap dwelling house societies.

There is, however, a case in which the commune may dispense with the medium of the Office and build itself; this is when the families are large. These are always worst lodged, because they are poorer. So the law has considered it necessary to authorise the communes to build them the houses they need for a healthy existence. A Decree of the Council of State allows of their building tenement houses for the purpose; these houses, up to two thirds of their renting value, must be assigned to families with more than three children under sixteen years of age. In order to build them, the communes shall apply for funds to the savings bank, the Deposit and Consignment Bank, the hospitals, asylums and charitable institutions. However, the management of the buildings thus erected by the towns must be entrusted to the Public Office or to cheap dwelling house societies. Finally, the law authorises the communes to grant special subventions to the Offices and the societies building houses for large families. These subventions are granted by contract, for a period not exceeding eighteen years and 1 % of the cost price of the buildings; they must be entirely used to reduce the rate of lease of these lodgings, but the reduction may not exceed half the maximum renting value.

§ 6. Law of March 21st., 1913.

These excellent provisions have been most happily completed by the law of March 21st., 1913.

The essential object of the mutual aid societies is to insure against sickness; they procure for their members medical assistance and medicines and a daily allowance; their expenses are heavy in proportion as the dwellings of their members are unhealthy; it is therefore excellent policy on their part to assist in procuring healthy dwellings for their members and in this way they will improve their own financial position.

With this in view, the law of March 21st., 1913 extends the application of the special regulations for recognised associations of public utility also to the mutual aid societies; they may therefore receive State advances at the reduced rate of 2 %, on condition of their only lending to their members and under the conditions laid down in the law, at a rate of not more than 2 ¼ % and place with the Deposit Bank security to the amount of 100,000 francs, really immobilising that amount of their deposits in current account in that establishment. This amount now corresponds with the capital of a real estate credit society and the mutual aid societies may borrow under the same conditions as the real credit societies, in accordance with the laws of 1908 and 1912. (*To be continued*).

ITALY.

1. AGRICULTURAL CREDIT IN MARCHE, UMBRIA AND LIGURIA.

ANNALI DEL CREDITO E DELLA PREVIDENZA, ANNO 1911, N. 90. CREDITO AGRARIO. La legislazione italiana sul credito agrario. Cenno storico e critico dell'Avv. Alessandro Baccaglini. Leggi, decreti e regolamenti. Notizie statistiche. (*Annals of Credit and Thrift*, 1911, *No. 90. Agricultural Credit. Italian Legislation on Agricultural Credit. Critical and historical outline by Avv. Alexander Baccaglini. Laws, decrees and regulations. Statistical notes*). Ministry of Agriculture, Industry and Commerce. General Direction of Credit, Thrift, Co-operation and Social Insurance. Rome, Bertero, 1911.

LEGGE 6 LUGLIO 1912, N. 802, CONCERNENTE PROVVEDIMENTI PER IL CREDITO AGRARIO E PER I DANNI DELLE ALLUVIONI E DELLE MAREGGIATE IN LIGURIA e regolamento approvato con regio decreto 9 Gennaio 1913, n. 327, per l'esecuzione della legge predetta (*Law of the 6th July, 1912, No. 802, concerning provision for agricultural credit and for damages caused by floods and tidal inundations in Liguria and Regulation approved by Royal Decree, 9th. January, 1913, No. 327, for the application of the said law*). From the "Gazzetta Ufficiale del Regno d'Italia." Rome, No. 183, 3rd. August, 1912, and No. 110, 12th. May, 1913.

FEDERAZIONE PER IL CREDITO AGRARIO NELL'UMBRIA: RELAZIONE DEL CONSIGLIO FEDERALE AL 31 DIC. 1913 (*Federation for Agricultural Credit in Umbria. Report of the Federal Council to the 31st. Dec.*, 1913). Perugia, Benucci, 1914.

ISTITUTO DI CREDITO AGRARIO PER LA LIGURIA: RENDICONTO DELL'ESERCIZIO 1914 (*Agricultural Credit Institute for Liguria, Report for the Year 1914*). Oneglia, Arti Grafiche Fratelli Berio, 1915.

MAFFEI (Alberto): Le Casse Agrarie delle Marche e dell'Umbria (*Agricultural Banks in Marche and Umbria*). In «La Cooperazione Rurale», Rome, No. 9, 30th. September, 1912.

TOMEI (Prof. B.): Il credito agrario marchigiano (*Agricultural Credit in Marche*). Cattedra Ambulante Provinciale di Agricoltura in Urbino. Urbino, Arduini, 1914.

In previous articles we have had occasion to trace the general provisions of the various laws enacted in Italy concerning agricultural credit, dealing particularly with their fundamental characters and, also, examining their practical results (1). Such investigation, however, was not undertaken by us in regard to the two recent laws on agricultural credit in Marche, Umbria and Liguria. We will, therefore, now fill up this omission, availing ourselves of the most recently published data regarding the first years in which State regulated agricultural credit has been in operation in those regions.

(1) See also in this connection our report: "Agricultural Credit and Co-operation in Italy" published by the Bureau of Economic and Social Intelligence in 1913.

§ 1. General provisions of the law of the 2nd. January, 1910, on agricultural credit in Marche and Umbria.

The various provincial laws on agricultural credit in Italy, from the first, that of 1901 relating to the Southern Continental provinces and to Sardinia, to the last, that of 1912 relating to Liguria, all present some common characteristics. These are : (*a*) the establishment of a central institute provided with more or less ample means for giving credit which are furnished by the State in the case where the institute is unable to do so ; (*b*) the power entrusted to these institutes of giving the necessary credit to agriculturists not directly, but by means of local institutes, preferably co-operative in form, which are known as " intermediate bodies " (*enti intermediari*).

The Law of the 2nd. January, 1910, No. 7, which establishes agricultural credit in Marche and Umbria follows somewhat different lines. In fact it has abolished the central institute as a distributing and regulating instrument of credit, putting in its place, as we shall see, a " Federation of bodies ", without the faculty of carrying on credit. The organization of agricultural credit in Marche and Umbria is in fact regulated in the following way :

The law first of all, provides for two funds : one of the value of 700,000 lire for the work of agricultural credit in Marche, to which the State contributes 200,000 lire, the Savings Bank of Milan 300,000 lire and the Savings Bank of Bologna 200,000 lire; the second of the value of 400,000 lire for the work of agricultural credit in Umbria to which the State contributes 300,000 lire and the Savings Bank of Milan 100,000 lire. These funds form the initial capital of the agricultural banks recently instituted and serve, also, for the financing of the banks conducted by existing institutions. Both the capital of the former as well as the grant to the latter must be not less than 8,000 nor more than 12,000 lire (1).

Every Commune, which is or has been the centre of " mandamento " in Marche and Umbria, or, as far as the latter is concerned, every commune

(1) These sums are contributed by the State and by the Savings-banks of Milan and Bologna in the same proportion in which they contributed for the creation of the fund of agricultural credit of their respective districts. The agricultural banks shall not pay any interest for the first ten years after their establishment on the share contributed by the State ; from the eleventh year onward and for a period of 50 years they shall pay interest at 2 % p. a. and within such period repayment shall be provided for. The sums contributed by the Savings-banks of Milan and Bologna shall be refunded within 30 years, beginning from the first year after the establishment of each agricultural bank, the establishment of which shall not be postponed beyond 5 years from the promulgation of the law. The Savings-Banks of Milan and Bologna, moreover, shall share in the net annual profits of each agricultural bank in a measure not exceeding 3 % p. a. on the sum contributed by either of them : after the expiration of 10 years, however, from the establishment of the agricultural banks such share in the net profit will be converted into a fixed interest of 3 % p. a.

having a population of more than 10,000 inhabitants, must, in compliance with the law, possess an agricultural bank. The savings banks, the co-operative banks, the agricultural societies and the agricultural syndicates may, however, discharge the functions of agricultural banks. These bodies shall, nevertheless, keep these functions entirely apart from any other business with which they are concerned.

The agricultural banks in Marche and Umbria are authorised to grant loans in cash to agriculturists, whether they be landowners, tenant-farmers, metayers, or holders in emphyteusis, for the following purposes: (*a*) harvesting, tillage, seeds, manures, spraying materials, insecticides; (*b*) to furnish the holdings with live-stock, feeding stuffs, machinery and agricultural implements, plant for the manipulation and conservation of agricultural produce, and for other purposes connected with the work of agriculture; (*c*) for improving and enlarging labourers' dwellings (*case coloniche*) or outhouses, or for constructing new outhouses.

The loans for any of the purposes indicated under (*a*) must not exceed 1,000 lire nor have duration beyond one year, excepting loans for manures, which may have the duration of two years.

Loans granted for the purposes indicated under (*b*) may amount to 2,000 lire, and those for the purchase of machinery to 3,000 lire. Neither of these loans may have a greater duration than 5 years.

Finally, loans required for the purposes indicated under (*c*) may amount to 4,000 lire and have a duration of 9 years.

For such operation special privileges and fiscal facilities are provided by the law.

The agricultural banks themselves, moreover, are authorised to carry on the following operations and functions of an agricultural consortium:

(1) To purchase on their own behalf or on that of others, seeds, manures, spraying materials, insecticides, goods, produce, livestock, machinery and implements, to be distributed among the members.

(2) To sell, on their own behalf and that of others the agricultural produce of local agriculturists, establishing its own warehouses for depositing and selling of the same or transporting the produce itself to general warehouses.

(3) Making loans guaranteed by the deposit of such agricultural produce as does not easily deteriorate, placing the said produce in general warehouses.

(4) Loans of agricultural implements and machines for a specified period, the cost of hire to be regulated by a tariff approved by the committee of management of the society.

(5) Sharing with other societies or private individuals in the sale and exportation of the agricultural produce of the members or of agriculturists within the district in which the consortium operates.

(6) Testing, analyses, experiments, diffusion of the knowledge of the correct use of manures, the development and safe-guarding of local interests by means of itinerant lectureships, agricultural schools both practical and special, lectures, publications and circulating libraries.

The agricultural banks, may also, where required, be empowered to receive savings on deposit or current account. On advances to agriculturists they may not exact an interest exceeding 5 % (1).

The functions attributed by previous laws in regard to agricultural credit to the central institute, namely, the rediscounting of bills of exchange drawn by farmers upon agricultural banks or upon bodies acting as such, and the discounting of drafts issued by the banks themselves, are carried on according to the terms of the law to which we are referring, by several bodies (savings banks and co-operative banks) each of which, however, has the option to carry on these operations or not. These bodies may not demand an interest exceeding 4 % for the rediscount of the bills of exchange drawn by farmers.

Finally, the union of agricultural banks and discounting bodies, voluntarily associated, forms in Marche the so-called " Federation for Agricultural Credit in Marche " and in Umbria the " Federation for Agricultural Credit in Umbria. " These federations are constituted autonomous bodies for the distribution and management of the funds for agricultural credit in Marche and Umbria. It is their obligation to supply the agricultural banks with pecuniary assistance and it is also their duty temporarily to invest any capital not already distributed. Each Federation is managed by a board composed of nine members, four elected by the rediscounting bodies, four by the agricultural banks and one by the itinerant lecturers of the region.

All the federated bodies are subject to the supervision of the Ministry of Agriculture, Industry and Commerce.

Such, in outline, is the Law of 1910 ; let us now observe its results.

§ 2. Results obtained and requests for the reform of the law of the 2nd. January, 1910.

The results obtained from this system, were, it must be frankly admitted, not very satisfactory ; in fact in application of the law referred to there only existed in all up to December 31st., 1913, ten agricultural banks in Umbria, having 325 members ; and 8 in Marche, having 220 members.

The 8 agricultural banks established in Marche at the end of December, 1913, had laid out altogether in loans on the security of bills 10,053 lire including 5,555 lire for the purchase of manures, 4,120 lire for the purchase of livestock and feeding stuffs, 328 lire for the purchase of seeds and 50 lire for cultivation expenses. The banks in Umbria, also, had granted loans to the total sum of 28,543 lire made up as follows : 8,268 lire for the purchase of manures, 3,625 lire for cultivation expenses, 15,950 lire for the purchase

(1) Farmers residing within the territory (*mandamento*) where the agricultural bank operates, shall, to be entitled to obtain credit, register their names in the bank and contribute, even by instalments, an entrance fee not exceeding 5 lire.

of livestock and farm requisites ; 450 lire for seeds, and 250 lire for harvesting expenses.

The cause of these unsatisfactory results is chiefly to be attributed to some unfortunate provisions of the law, and, indeed, above all it is due to the inadequacy of the fund allocated to agricultural banks, which, as we have seen, varies between a minimum of 8,000 lire and a maximum of 12,000 lire. We may remark in regard to this that only two loans advanced for permanent improvements, of the maximum amount of 4,000 lire and the maximum duration of 9 years, would suffice to immobilise for nine years the fund granted to an agricultural bank. For this reason it is, therefore, very doubtful, considering the scantiness of the means placed at the disposal of the agricultural banks, whether it was desirable that the law should have authorized the granting of such loans (1). Another provision open to criticism is that which leaves it optional to the savings banks and people's banks to rediscount unmatured bills of the agricultural banks. This is in fact a system which has its advantages and its disadvantages. Surely it is an indispensable condition in order to obtain the consent of the savings bank and the people's bank to carry on the functions of a discounting bank that such work shall not involve an excessive amount of work for them. Now in this respect, which is of primary importance, the provisions of the law which prohibit, as is known, the savings bank and co-operative bank, when rediscounting bills of agricultural character, from exacting an interest higher than 4 % p. a., cannot be entirely approved of. The limitations which have been imposed on the Banks of Naples and Sicily, on the Provincial Bank of Basilicata and the *Adempriili* Banks of Sardegna have been introduced into the present law, perhaps without sufficient consideration, it not having been realised that the savings banks of Marche and Umbria, as well as the people's banks, owing to the scanty means at their disposal, and the greater cost to them of those means, cannot always conveniently give credit at such a low rate of interest.

To the insufficiency of the endowment funds of the agricultural banks and to the difficulty they find in obtaining rediscounts at the fixed rate of 4 %, we may add the inconvenient formality prescribed for the granting of loans, and we may also further notice the excessively restrictive character of certain provisions embodied in the regulations for the execution of the law. Hence the necessity, widely admitted, of introducing some amendments which have recently been discussed and formulated in the resolution unanimously (2) approved at the Congress of the delegates of the agricultural institutions in Marche held at Ancona, 13th. December, 1914, wherein it was proposed as follows:

(1) It is rather an excessive latitude that the maximum duration of loans for supplying holdings with livestock, foodstuffs, rural implements and plant for the handling of agricultural products, has been fixed at 5 years.

(2) See also in this connection the review *Credito e Cooperazione*, Rome, No. 5, 1st. March, 1915.

(1) That the agricultural banks which according to the law were to be established should be diminished in number but given a larger sphere of operations, acting preferably in conjunction with agricultural "consortiums" and with syndicates legally constituted, providing them moreover with subsidies proportionate to the area and population of their respective zones of action ;

(2) That the agricultural banks should be explicitly authorized to receive deposits, issue shares and interest-bearing bonds without the formalities at present required by the law ;

(3) That the rate of interest should not be fixed and that interest should be payable in advance, for periods of four or six months, even in the case of long period loans ;

(4) That the regulations of the agricultural banks should also deal with loans for improving and enlarging labourers' dwellings (*case coloniche*) and outhouses or for building new outhouses (1) ;

(5) That a large rediscount should be secured to the agricultural banks, giving them liberty to go where they think fit to obtain it, and providing in such a manner that the State should cover the difference between the exceptional interest to be provided by the law for agricultural operations and the interest current in the market ;

(6) That the agricultural banks may be able to discount the bills drawn by agricultural consortiums in accordance with the terms of the law on agricultural credit in Liguria ;

(7) That the provisions concerning the granting of loans should be simplified as much as possible, placing greater reliance upon the safety of agricultural loans and the personal honesty of the farmers ;

(8) That the Savings Banks of Milan and Bologna should dispense with interest on the sums advanced for at least ten years, as the State does, and that the reimbursement of the said sums commence not earlier than the eleventh year from the date of the amendment of the law.

It is to be hoped that keeping these requests in mind, as well as those formulated for Umbria by its agricultural institutions, and giving due value to both, a practical amendment of the Law of the 2nd. January, 1910, may be effected, which, if at the first moment of its application it has met with some difficulties, nevertheless will bring, when amended, no slight advantanges to agriculture in the regions of Marche and Umbria.

§ 3. Principal provisions of the law of the 6th. July, 1912, concerning agricultural credit in Liguria.

The latest law promulgated in Italy on agricultural credit is that for Liguria of the 6th. July, 1912, with which satisfaction has been given to long-

(1) These loans have not yet been able to be effected, owing to the scantiness of the means at the disposal of agricultural banks ; hence the reason that many banks have entirely abolished them in their regulations.

standing and often repeated solicitations of Ligurian agriculturists that the beneficial effect of agricultural credit, granted already to other regions of Southern, Central and Insular Italy, should be extended to their region as well.

The reasons for such repeated solicitations is to be found, as is well known, in the serious crisis which has afflicted Liguria for so many years, in consequence of the diminished production of oil, which is the principal product of that region — a crisis which has driven capital out of agriculture, placing the rural classes in continually increasing difficulties. Nor were there co-operative credit societies (rural banks and people's banks) to provide the means required for the cultivation of land as such institutions do not exist in Liguria. Hence the necessity of establishing a central credit institute for the purpose of uplifting agriculture in the districts in which it was most depressed and of encouraging the foundation of co-operative societies as an effective instrument for the diffusion of credit itself. It is precisely this object which the law has in view.

It provides for the foundation of an " Institute of Agricultural Credit for Liguria " with its headquarters at Porto Maurizio, furnished with an initial fund of 500,000 lire (1) and authorized to perform the following operations: (1) discounting of bills held by the intermediate bodies and drawn by farmers to meet the various needs of their operations, viz. (*a*) cultivation, (*b*) harvesting, (*c*) seeds, (*d*) manures, (*e*) insecticides and spraying materials, (*f*) furnishing the holdings with livestock, feedings stuffs, machinery and implements, (*g*) the hire of machinery and other implements, (*h*) for the granting of loans on the security of such agricultural produce as will not deteriorate, deposited and placed in general warehouses; (2) the opening of current accounts in favour of the intermediate bodies or the discounting of bills directly issued by them for the purpose of procuring the means for the collective purchase of agricultural requirements and for making advances to members in case of collective sale of their produce, etc.

The rural banks, the agricultural consortiums, and all other institutions legally established which include amongst their functions the giving of agricultural credit, are authorized to act as intermediate bodies.

The law in question reinforces the fundamental principle of Italian legislation on agricultural credit, viz. the granting of credit to agriculturists not directly but through the medium of smaller local bodies. The law itself, moreover, provides adequate means to encourage the development of these bodies, establishing in their favour annual donations and prizes. Only exceptionally and when authorised by the Government, can the direct loans be made without the intervention of intermediate bodies in those Communes wherein the intermediate bodies do not exist or do not carry on similar operations.

(1) This fund is further augmented by the residue of the sum of 1,000,000 lire [illegible] by virtue of the same law (sec. 13) for assisting proprietors damaged in their properties by floods and tidal inundations in the provinces of Genoa and Porto Maurizio toward the end of [illegible]

It is, however, an essential condition of obtaining the above mentioned loans, that their application to some agricultural purpose should be clearly proved. With this object the persons to whom the said loans may be advanced are specified by the law. They are: proprietors, holders in emphyteusis, usufructuaries who directly manage the holdings, metayers or share-tenants, tenants of holdings who have not sublet them. It is, moreover, provided that the holdings in favour of which the loan is requested should be situated within the sphere of operations of the Institute which makes these loans, and that in the application for loans there should be indicated the use to which they are to be put.

Such loans as are indicated above from letter (*a*) to letter (*f*) must never exceed 1,000 lire in amount nor one year in duration except loans for biennial crops and manuring, the duration of which may be extended to two years and loans for the purchase of livestock and machinery, the amount and duration of which may be extended to 3,000 lire and 3 years respectively. Lastly, advances on the security of produce deposited may not have a duration above one year and the amount granted shall be proportionate to the value of the produce given in pledge. Thus, loans on cereals may be granted up to an amount not exceeding 75 % of their market value; on wine, vinegar and spirits not exceeding 40 %; on oil not more than 60 %.

Loans shall be granted by the Institute of Agricultural Credit for Liguria at an interest not exceeding 4 ½ % per annum to intermediate bodies and these bodies shall never charge their members an interest of more than 1 ½ % per annum above that charged by the said institute. The loans are guaranted by the capital of the intermediate bodies, if they are on a limited liability basis, and by the possessions of the members of the intermediary banks, if the liability of the members is unlimited. The amount of the advances obtainable varies, therefore, according to the capital and the nature of the guarantee given by the intermediate bodies. These bodies, in turn, enjoy special privileges, viz., the conventional privilege conferred by the Law of the 23rd. January, 1887; the legal privilege conferred by Section 1958 of the Italian Civil Code in favour of loans granted for harvesting, cultivation and seeds, and extended by the Law of the 7th. July, 1901, to loans granted for manures and spraying material and insecticides. The latter privilege, as far as the manuring and biennial crops are concerned, may be exercised not only on the produce of the current year but also on that of the succeding year.

With regard to the fiscal treatment, the stamp duty, the register duty and the mortgage duty, due on all deeds and written agreements in connection with the operations carried on by the Central Institute and the intermediate institutes, are reduced to half.

As we have now before us the Statement of the first year's operations of this new institute, we think it wll be interesting to the reader if we set out the principal results obtained by it during that year.

§ 4. The first year's work of the institute of agricultural credit for liguria.

The Institute of Agricultural Credit for Liguria began its operations on the 6th. of August, 1914, so that its work during the first year was confined to a period of 5 months.

In this period credit was given by the Institute to 30 different intermediate bodies for the total sum of 400,000 lire distributed as follows :

Credit given to Intermediate Institutes in 1914

District (*Circondario*)	Agricultural Consortiums		Rural Banks		Co-operative Societies		Total	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Albenga	1	20,000	5	30,000	—	—	6	50,000
Chiavari	—	—	—	—	—	—	—	—
Genova	1	100,000	1	50,000	—	—	2	150,000
Porto Maurizio	1	30,000	4	75,000	7	53,000	12	158,000
San Remo	2	40,000	4	75,000	—	—	6	115,000
Savona	1	5,000	—	—	1	3,000	2	8,000
Spezia	2	17,535	—	—	—	—	2	17,535
Total	8	212,535	14	230,000	8	56,000	30	498,535

The various intermediate institutes availed themselves of this credit in 1914 to the following extent : the agricultural consortiums for 117,356 lire ; the rural banks for 31,820 lire ; the co-operative societies for 6,172 lire : 155,000 lire in all.

It is also important to know how the different sums borrowed from the Institute have been employed, as this indicates the extensive sphere of action of agricultural credit. The following are the data in question :

For Manuring	lire	67,697
" Spraying materials	"	9,971
" Seeds	"	5,801
" Livestock	"	4,104
" Feeding-stuffs	"	3,335
" Machinery and implements	"	3,301
" Handling of produce	"	2,750
" Harvesting	"	2,100
" Cultivation	"	1,775
" Sundry	"	55,207

Of these sums, 96,654 lire represent discounts and 59,570 rediscounts.

The law which established agricultural credit in Umbria has concerned itself chiefly in the encouragement of the holders of small property, as is shown by the provision that loans should never exceed the sum of 1,000 lire. We shall now see in fact, that the credit granted by the intermediate bodies to their own members has been effected in small sums. This is apparent from the following table :

Amounts	not	exceeding	100	lire	No.	of loans	51
,,	,,	,,	200	,,	,,	,,	78
,,	,,	,,	300	,,	,,	,,	45
,,	,,	,,	400	,,	,,	,,	32
,,	,,	,,	500	,,	,,	,,	15
,,	,,	,,	600	,,	,,	,,	4
,,	,,	,,	700	,,	,,	,,	4
,,	,,	,,	800	,,	,,	,,	5
,,	,,	,,	900	,,	,,	,,	1
,,	,,	,,	1,000	,,	,,	,,	4

As to security, 225 loans were guaranteed by legal privilege and 14 in other ways.

The summary tables above given indicate the importance of the Institute, which from the beginning has done a considerable amount of work. Its operations will further be extended and enlarged progressively as the intermediate bodies — which are still too few in number to meet the requirements of an entire region, being not more than 30 — are formed. For this purpose a special propagandist bureau for the promotion of rural banks and co-operative societies is provided.

The Management Committee of the Institute, in view of the credit for agricultural improvements required particularly in those districts situated on the sea-border where eventual transformation from olivegroves to orchards, market gardens or flower gardens may produce much greater wealth, has asked the Ministry of Agriculture, Industry and Commerce to authorise the Institute itself.

(1) To advance loans secured by mortgage and for a period not exceeding 10 years or to issue bills of exchange against government bonds or similar securities in favour of the landowners of Liguria for an amount not exceeding 1,000 lire for each holding or 3,000 lire for each landowner for any of the following objects :

(*a*) to supply the holdings with drinking water and irrigation ;

(*b*) for the cost of converting olivegroves into other systems of cultivation ;

(*c*) for the expense required for the establishment of new vineyards and for the replanting with American vines of those destroyed by phylloxera.

(2) To advance loans on mortgage to co-operative societies legally established in Liguria of the amounts necessary to cover the expenses

of installing or reconstructing co-operative mechanical presses, co-operative wine-cellars, co-operative dairies, etc.

In these suggestions advanced by the Management Committee a new sphere of action is outlined, wherein the Institute of Agricultural Credit for Liguria may prove itself extremely useful.

2. MISCELLANEOUS NEWS.

1. — RECENT PROVISIONS FOR AGRICULTURAL CREDIT IN SARDINIA. — To improve the condition of agriculture in Sardinia, depressed for many reasons which cannot be here set forth, the Law of the 6th. July, 1914, No. 665 (1) was recently enacted. This law contains, amongst others, the following important provisions relating to agricultural credit.

The sums of 1,200,000 lire and 1,000,000 lire shall be advanced to the « Ademprivile » banks of Cagliari and Sassari respectively (which are, as is known, the two most important banks in the island which carry on agricultural credit) by the Deposit and Loan Bank (*Cassa Deposito e Prestito*) at an interest of 2 % per annun for the purpose of conducting operations of agricultural credit. The proceeds realized by the above mentioned banks out of the sale of their real property of " ademprivile " character shall likewise be allocated to this purpose.

The said banks shall not exact an interest higher than 3 $^1_2$ % per annum on operations of agricultural character ; and in order to encourage a wider development of these operations the law, moreover, provides that the two aforesaid banks shall establish an agency in every capital of a district (*circondario*).

Further, exceptional loans at an interest of only 1 $^1_2$ % shall be advanced until the year 1918 up to an amount not exceeding a total of 2,000,000 lire to such landowners and holders in emphyteusis as will undertake the systematic and scientific improvement of lands, adaptation of lands for irrigation or for experiments in dry-farming and the construction of stables and shelters for livestock. Such loans shall have a duration of 30 years, with the privilege given to borrowers of discharging the obligation in a shorter time. The borrowers during the first five years shall pay only the interest. During the twenty-five succeeding years to the interest will be added the repayment instalments.

(1) See the *Gazzetta Ufficiale del regno d'Italia*, N° 169, 17th. July, 1914

Finally the law provides for the institution in the chief town of a district (*circondario*) of an itinerant lectureship or a branch of such and also that in each such place there shall be a stock-breeding establishment for cattle, sheep and pigs. It further provides for the institution of a practical course of agricultural education for adults and youths, dealing principally with the agriculture, arboriculture and horticulture of the various regions of Sardinia, and for making gratuitous grants of seeds, chemical manures and other agricultural requisites to small farmers, as well as for the gratuitous use by these last of machinery and agricultural implements through the medium of the itinerant lectureships. Finally the law provides for the discovery and raising of underground water for drinking purposes, for watering cattle, or for irrigation on a small scale, in the various regions of the Island, the more urgent work to be undertaken by the State whilst notable assistance is given to private enterprise of the same character.

* * *

2. — THE FINANCIAL POSITION OF THE ORDINARY SAVINGS BANKS AT THE END OF 1913 (1). — With the help of the latest official reports we can summarise the financial position of the 188 savings banks on the 31st. December, 1913 (2). At this date their assets amounted in all to 348,641,457 lire. They consisted of an "endowment fund" to the amount of 1,684,905 lire; of reserve fund to the amount of 303,995,317 lire; of a special fund to cover the fluctuations in the value of treasury bonds and eventual losses to the amount of 28,409,880, lire as well as of other funds to the amount of 14,551,455 lire.

The liabilities of the 188 banks amounted in all to 2,913,332,362 lire distributed as follows: Savings deposits, 2,657,663,873 lire; deposits on current account, 69,617,476 lire; debits to other banks 17,906,602; balances on current account 9,704,700 lire; loans obtained against securities belonging to the Institutes, 22,233,071 lire; carry over, 43,289,945 lire; holders of rediscounted bills 6,679,263; sundry debits and other liabilities, 85,697,492.

The liabilities of the banks are, therefore, mainly constituted by the savings deposits, which are distributed in the various districts as follows:

(1) See in connection with this: "Casse di risparmio ordinarie. Riassunto per provincia, per compartimenti e per il Regno della situazione dei conti delle casse in esercizio al 31 Dicembre 1913" (*Ordinary Savings Banks. A Brief Account of the Financial Condition of the Banks working up to December 1913 in each province, department and region in the kingdom*). Ministry Agriculture, Industry and Commerce, General Direction of Credit, Thrift, Cooperation and Social Insurance. Superintendence of Credit and Thrift Institutes.

(2) On the condition of the ordinary Savings Banks in Italy up to 1st. December, 1912, see our *Bulletin*, January 1913, page 85 et sqq.

Lombardy	863,121,259	lire
Tuscany	347,802,678	"
Piedmont	321,448,994	"
Emilia	298,889,147	"
Veneto	231,332,176	"
Campania	156,327,333	"
Latium	127,356,721	"
Sicily	95,344,538	"
Marche	80,982,033	"
Liguria	57,810,047	"
Umbria	37,523,833	"
Calabria	19,577,397	"
Abruzzi e Molise	16,182,082	"
Apulia	2,694,059	"
Basilicata	771,576	"

The greater bulk of the savings is, therefore, obtained in the richest and most thickly populated regions of Italy: Tuscany, Piedmont, Emilia, Veneto which lay claim to 200,000,000 lire of savings each.

Let us now examine the principal items of the assets. Up to the 31st. December, 1913, the assets amounted to 3,285,166,142 lire subdivided as follows:

	Lire
Cash	36,052,210
Treasury Bonds	117,760,601
Stock issued by and guaranteed by the State	1,013,571,709
Land securities	112,375,875
Sundry securities	65,395,579
Carry over	68,460,737
Deposits in other banks	33,302,117
Credits due from other banks (1)	36,535,444
Loans and current accounts	49,556,324
Bills in hand	562,027,993
Mortgage loans and current accounts guaranteed by mortgage	550,149,110
Credits on note of hand and current accounts guaranteed by bills	441,229,143
Special operations	76,955,485
Overdue bills	10,890,895
Other credit items	111,479,920

(1) Loans and Current accounts granted against stocks issued by or guaranteed by the State against land securities, other similar securities, articles of value and goods.

The most important credit item is, therefore, the one consisting in securities issued or guaranteed by the State, the greater part of which are found to belong to the following Savings Banks:

Bank of Lombardy	424,524,291	lire
Bank of Tuscany	138.654,023	lire
Bank of Campania	114,480,841	lire
Bank of Piedmont	105,444,827	lire

The next most important item is that of the bills in hand, in regard to which it is to be remembered that the ordinary savings banks, owing to their nature, limit their action to the discounting of bills of absolute safety.

In some regions, however, where the banks are fewer in number and where no branches of important banks exist they supply this deficiency by allowing greater latitude in discounting bills. Thus, for example, it occurs that in the Abruzzi and Molise out of the total assets of the Banks amounting to 21,169,156 lire, the bills in hand represent 10,602,021 lire. In Umbria out of total assets of 44,805,039 lire the bills in hand alone amount to 18,841,343 lire, etc.

Another item of great importance in connection with their operations consists of mortgage loans and current accounts guaranteed by mortgage. In fact the mortgage loans in Lombardy represent 21.5 % of the total assets; in Tuscany 20.9 %; in Latium 32.2 %.

Even the loans on note of hand appear in the assets of the banks for a considerable sum, amounting in all to 441,129,143 lire. The highest figure of all the regions is that relating to Lombardy, which at the end of 1913 showed loans on note of hand outstanding to the amount of 99,798,050 lire out of total assets amounting to 1,038,376,662 lire.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CREDIT.

UNITED STATES.

HERRICK (Myron T.) and INGALLS (R.) : Rural Credits : Land and Co-operative. 1 vol. in 8vo, pp. 519. D. Appleton and Co. New York, 1914.

Mr. Myron T. Herrick, until quite recently the United States ambassador at Paris, is already recognised as a careful student of the whole subject of agricultural credit and a sound authority upon the question of adapting European systems to the peculiar needs of American agriculture. In 1912, at the request of President Taft and with the assistance of the United States embassies in Germany, Italy and other countries, he prepared a "Preliminary Report on Land and Agricultural Credit," and the present volume, though it is an unofficial publication, may be regarded as Mr. Herrick's final report.

Rural Credits is in the main a description of existing credit systems in European and other countries, but contains in addition a number of chapters of well-balanced criticism in which principles are expounded and examined. It may be said at once that the descriptive chapters are exceedingly well done. The author has aimed, as he says, at making his information "comprehensive and accurate", and he has succeeded in his intention; but it is to the critical chapters in which principles are discussed with special reference to American conditions that most readers will turn.

As far as land mortgage credit is concerned, Mr. Herrick pronounces unhesitatingly in favour of the Landschaft type of credit association, and anticipates no real difficulty in adapting it to meet the needs of the American farmer for long-term credit. He finds nothing to praise in the Wisconsin Land Mortgage Associations Act of 1913, and a good deal to criticise in the constitution of the Land Bank of the State of New York, established in 1914. With respect to co-operative agricultural credit he favours a system built upon small independent local associations of the Raiffeisen type, and he criticises severely the credit union laws of Massachusetts, New York, and the few other States which have passed special laws. The

restrictive provisions which hamper these laws render them useless for rural banking and credit. They are designed to encourage thrift among, and provide credit to, a class economically much weaker than the American farming class.

The author, indeed, is of opinion that it is undesirable to pass special laws for co-operative credit alone, and would prefer that one general co-operative law be passed in each State to regulate the organisation of co-operative societies of all kinds. This he claims, would make for simplicity, so that in course of time the distinctive features in the organisation and management of a co-operative society would become standardised and be readily understood.

The name of Mr. R. Ingalls appears with that of Mr. Herrick on the title page of the volume, but the preface is written by the latter alone and it is evident that the opinions expressed are his.

ITALY.

BANCO DI NAPOLI CASSA DI RISPARMIO: CREDITO AGRARIO; Relazione sull'esercizio 1914. (Report for the year 1914 on the Agricultural Credit Transactions of the Savings Bank Section of the Bank of Naples).

This is a report on the agricultural credit operations, in 1914, of the Savings Bank Section of the Bank of Naples, working, in South Italy and Sardinia, under the provisions of the laws of 7th July, 1901 and 2nd February, 1911. On 31st December, 1914, the intermediate institutionsf or the distribution of credit to the agriculturists — agricultural and rural banks, consortiums, agricultural loan banks, peoples' banks, etc. numbered 2,080. Of this number only 1,149 were classed as "Good" by the Bank of Naples, only these, that is to say, were admitted to the exercise of agricultural credit. Of this number, 687 were enjoying cash credits from the Bank for a total amount of 26,003,600 francs. The total of all the agricultural credit transactions of the Savings Bank Section during the year amounted to 13,934,159 francs 40 centimes, distributed thus: bills rediscounted for the intermediate institutions, 10,933,853 francs 35 centimes; direct loans to agricultirists 565,757 francs 85 centimes; discount transactions with intermediary institutions, 2,434,548 francs 30 centimes. During the thirteen years of activity, more than 74 million francs have been distributed in loans to the cultivators of South Italy and Sardinia. The Province which has received the largest amount is Foggia (22,648,140 francs), followed by Aquila (7,547,165), Caserta (6,942,461) and Bari (6,360,558).

BANCO DI SICILIA. RENDICONTO DEL CONSIGLIO DI AMMINISTRAZIONE SUL SERVIZIO DEL CREDITO AGRARIO E BILANCIO CONSUNTIVO ESERCIZIO 1914. 125 pp. Palermo, 195.

From this report on the transactions of the Agricultural Credit Section of the Bank of Sicily in 1914 it appears that the number of institutions enjoying cash credits from the Bank, at the end of that year, was 335, distributed in 190 out of the 357 communes in the Island, with 59,000 members, an owned capital of 3,673,711 francs, and a fiduciary capital of 233,501,778 francs. The total of the cash credits opened in favour of these institutions was 18,579,500 francs.

The transactions during the year numbered 39,286 for a total of 13,746,159 thus distributed: 39,161 transactions with intermediate institutions for 13,694,084 francs (rediscount 9,734,464 frs. 94 cms.; direct discount 3,959,649 frs. 84 cms.); 125 transactions with individuals for 52,075 francs. The total sum of the transactions was distributed among the different provinces as follows:

Trapani 2,857,712 francs, Palermo 2,372,193 frs., Caltanissetta 2,135,099 frs., Girgenti 1,883,491 frs., Caltagirone 1,856,195 frs., Syracuse 1,590,084 frs., Catania 648,819 frs., Messina 402,564 frs.; The loans granted in 1914 fall into three groups with respect to their utilisation: loans for seed, manure, cultivation and harvesting 9,276,529 francs; for machines, implements, livestock and farm supplies 510,010 francs; direct loans to intermediate institutions 3,959,619 francs.

Part IV: Miscellaneous

AUSTRIA.

FARM TENANCY CONTRACTS IN SOUTHERN AUSTRIA.

SOURCES:

Das Kolonat in Görz und Gradisca etc. . . dargestellt auf Grund einer im Auftrage des k. k. Ackerbauministeriums im Frühlinge 1908 vorgenommenen Bereisung dieser Länder durch Hofrat Prof. Dr. HERMMANN RITTER VON SCHULLERN ZU SCHATTENHOFEN, II, verbesserte Auflage, Wien 1909, Hof und Staatsdruckerei (*Farm Contracts in Gorizia and Gradisca According to Reports of a Commission Appointed by the Ministry of Agriculture in the spring of 1908. By the Aulic Councillor Prof. Dr H. Ritter von Schullern zu Schattenhofen. 2nd edition revised, Vienna*, 1909, *Court and State Printing Press, in* 8°, *pp.* 121).

Zur Lage der Lehnbauern im Österrr . Friaul. Ein Beitrag zum Studium der Kolonatsfrage von PIUS MEYER, Generalsekretär des Verbandes landw. Genossenschaften im Friaul. Görz, 1909 (*Condition of Farm Tenants in Austrian Friuli. A Contribution to the Study of Farm Contracts. By Pius Meyer, Secretary General of the Agricultural Co-operative Societies of Friuli. Gorizia*, 1909, *pp.* 20).

BERICHT ÜBER DIE AM 10. JULI 1910 ZU GÖRZ ABGEHALTENE PROTESTVERSAMMLUNG DER GRUNDBESITZER DER PROVINZ GÖRZ UND GRADISCA GEGEN DIE ANGRIFFE AUF DAS KOLONATSSYSTEM, Görz, 1910 (*Report of a Meeting held at Gorizia on 10th July, 1910, by Landed Proprietors of the Province of Gorizia and Gradisca to protest against the attacks made on the Farm Contract System. Gorizia, pp.* 35).

GESETZ UND VERORDNUNGSBLATT FÜR DAS OESTERREICHISCHE ILLYRISCHE KÜNSTENLAND etc. . . JAHRGANG 1914, XV STÜCK, 21 GESETZ VOM 24 MAI 1914, WIRKSAM FÜR DIE GEFÜRSTETE GRAFSCHAFT GÖRZ UND GRADISCA ÜBER DEN KOLONATSVERTRAG *Bulletin of the Laws and Ordinances of the Austrian Sea-board.* 1914, folio XV, *21st law of 24th May*, 1914, *for the Principality of Gorizia and Gradisca regarding Farm Contracts.*

§ 1. GORIZIA AND GRADISCA.

A. — *Form and matter of contracts for farm tenants and for metayers.*

Before giving details of the law of 24th May, 1914 on farm contracts in the province of Gorizia and Gradisca (the law of which the present article

treats) we shall briefly examine the old form of contract now replaced by the present system.

In the principality of Gorizia and Gradisca, the greater part of which is in Austrian Friuli, there are two forms of contract, that of *colonat* and that of *metayage*. It is not possible completely to separate the two : the chief difference is that the metayer gives the proprietor a portion of the produce of the land, generally one half, while the tenant farmer must also give gratuitous labour. This last system is unhappily the more frequent ; it has all the defects which arise from decrepitude — uncertainty as to duration of contract, short duration of contract (a year), absence of guarantee that the tenant will be indemnified for improvements he may make, the fact that he often gets no indemnity whatever, lastly (and this is a special feature of the region) the old custom of payment by labour, the bad effects of which are felt in the whole social and economic organisation of the country. In fact, in those parts where this system prevails the moral and material condition of the people is bad, not only among the farmers, but also among proprietors and leading men. On the other hand, in the territories where metayage or share-tenancy prevails, the economic and social state of the people is much better.

The *colonat* contract is generally for a year and may be cancelled by the proprietor under certain circumstances. The tenant cultivates the fields, the proprietor usually supplying half the seed, sulphur, sulphate of copper etc. and the cattle, though these are often supplied by the tenant. The proprietor as a rule pays the usual taxes ; extra taxes in many cases are paid by the tenant. The produce of the farm is equally divided, though frequently the relative proportions are one-third and two-thirds.

The tenant is not indemnified for improvement of the soil and the increase in produce therefrom derived leads, in the majority of cases, even to an increase in the burdens upon him. Finally the tenant must work for a certain number of days for the benefit of the proprietor, and this obligation is often unlimited. In several places the land is let on lease, but in this case the rent is paid in cash.

The particulars of the contracts which especially needed alteration are :

(1) The shortness of the time contracted for, rendering the position of the tenant uncertain and making it not worth his while to improve the quality of the soil ;

(2) the need for compensating the tenant for any improvement he effects, especially if made with the approval or authorisation of the owner, or even without these if such improvements render the land more valuable ;

(3) personal labour in payment should be abolished and the tenant should not be obliged to work even in return for wages if this embarrasses him in the cultivation of his own land ;

(4) all contracts should be made in writing and every tenant should have a copy. The contracting parties should be obliged to make an annual settlement of accounts.

It must be observed that the form of contract above described is most employed in that part of the province inhabited by Italians, that is, more particularly in Austrian Friuli, while in the parts inhabited by Slavs the ground belongs to the peasantry, and is generally divided into small holdings. Such is the general state of affairs.

If we examine these contracts more closely, we shall find a large number of petty details which should be mentioned here, at least in part, to show the difficulties the legislation had to encounter in framing one law to meet all the varieties of custom in the making of the contracts. Many of these, which in certain aspects might be considered negligible except for the importance which in many places the problem of contracts assumes, being in fact the base of the economic and social life in these vast agricultural districts.

As said above, it is difficult to draw a distinct line between the principles governing contracts of tenancy (*colonat*) and of metayage in the Province of Gorizia and Gradisca. We have already shown how, under the one, the tenant is obliged to give the proprietor personal and gratuitous labour, while under the other this is not required. As for the rest, between the contracts of *colonat* and *metayage* there is no difference worthy of mention and they may therefore be considered in the same category.

It is evident that the provisions of contracts vary, and it would be difficult to offer a common type. In the great majority of cases the variations are trifling. What we are about to say is important, and has a practical application in almost all stipulations of this nature. Contracts are for one year, they generally begin on 11th November, and end on 10th November of the following year. The contract may be valid for another year if one of the parties have not withdrawn from it before midday on May 11th.

The proprietor furnishes the tenant with cattle sufficient for the work of the farm and for breeding, and he is the sole judge of the number and quality. The expense for fodder for the cattle during the first year is shared equally by proprietor and tenant. The latter is bound to supply all that is necessary for the support of himself and his family from the moment he enters into possession of the farm until the first crop is gathered.

The tenant or metayer must carry out entirely at his own cost all the work required on the farm consigned to his care; he must arrange permanently the number of persons necessary for all kinds of work, and engage besides during the busiest season all the extra labourers needed. All tools and appliances required for the cultivation of the farm must be supplied by the tenant, the proprietor supplying machinery if too expensive for the tenant to procure but charging the latter a small sum for its use.

All the produce must be equally and without distinction divided between proprietor and metayer, who engages to execute all the work which may become needful for the improvement of the farm, but the tenant has no right either during the existence of the contract or at its expiration to any indemnity for such improvements nor for any extra work he may have done on the property. It is generally forbidden to the metayer to un-

dertake any outside work without the special authorisation of the proprietor. The tenant must always be at the order of the proprietor if he requires labour for the cultivation of the farm, to be paid for at a rate to be fixed in advance. Payment for chemical manures and for seeds are shared between proprietor and metayer, but the latter must do all the work required for new plantations of vines. Timber-trees are the property of the proprietor and must not be used by the tenant except for the work of the farm and farm implements.

Every year the cattle must be valued and weighed, profit and loss on those sold computed, likewise on the value of those in stock compared with the price of purchase and previous valuation, the profits and losses to be shared equally. Of course these rules must vary according to contracts and local customs but the differences are unimportant and they are generally with regard to cattle.

B. — *The law of* 24th *May*, 1914, *on farm contracts in Gorizia and Gradisca.*

This law will come into force on 12th November of this year. By it, those contracts are considered as contracts of *colonat* and therefore coming under its provisions, by which the proprietor and the tenant agree to share the whole or part of the crops of the land specified in the contract, either proportionately or on payment of a sum as rent corresponding to the whole or part of the profits of the land, or to other payments represented by labour or by the value of the land, plus a fixed interest to be paid as rent-either in money or produce, provided that the land specified in the contract is not less than one hectare in extent.

According to this law, the farm or land under the *colonat* system, specified in the contract, should be such as the tenant and his family can cultivate intensively without their having recourse to permanent outside assistance. With regard to produce or labour given to the landlord, it is expressly stated that, taken together, they must be within limits which allow of the tenant drawing form the land, in years of average crops, returns sufficient to ensure subsistence to him and his family, after deducting all that is due to the landlord. If the tenant have no dwelling, the landlord must place at his disposal a house which will meet his requirements and those of the farm. It was very important to fix the duration of contracts and to extend this duration beyond a year, the time fixed by custom. By paragraph 3 of the law the duration of the contract must be at least six years, and contracts drawn up for a shorter period or for an indefinite time are valid for six years.

The cost of upkeep of farm buildings falls on the landlord with the exception of small repairs which may be made by the tenant himself without special expense or technical knowledge, and of repairs made necessary through the fault of him or his family. He may sublet the land without consent of the landlord.

Landlord and tenant must settle their accounts once a year on the day fixed in the contract, the debit and credit account of the tenant being entered in a register which is given to him. The landlord pays the direct taxes of the State and any extra assessment. Contributions to the expense of important improvements (irrigation, land improvement etc.) are divided in proportion to the share of the crop due to each.

The law clearly defines the principles to be taken into consideration with regard to special improvements of the property. The arbitrary methods which formerly prevailed have been replaced by precise regulations, drawn up to safeguard the right of the tenant to be indemnified for improvements made by him. The proprietor must pay compensation, if requested by the tenant, for works carried out by the latter without compulsion by law or contract. The tenant must be compensated for all important, necessary or useful improvements made by him without compulsion, if not at the order of, at least with the permission of the landlord. If the work is urgent to prevent immediate damage it may even be done without the landlord's consent, but in this case the tenant must at once inform the landlord of what he has done. The right to compensation ceases four weeks after the expiration of the contract.

The contract terminates on the expiration of the time fixed, by the death of the tenant, or by being cancelled beforehand by mutual consent. It is not necessary to dwell further on these points.

A tenancy contract terminates on 11th November following the close of its sixth year, or if drawn up for more than six years, then on 11th November of the solar year in which the contract expires.

It is held to be renewed for six months by tacit consent on the same conditions, if not cancelled before 11th May of the last year.

In the case of the death of the tenant before 11th May the contract expires on the 11th November following; in other cases on 11th November of the next year, but it does not expire with the death of the proprietor.

A contract may be cancelled by one or both of the contracting parties before its expiration should there be important reasons for so doing. In such cases the contract may be cancelled on 11th November if the party interested has made a demand before the 11th May of that year; if not, then it holds good till the 11th November of the following year. But its immediate cancelling may be demanded should serious damage be apprehended from its remaining in force.

For the proprietor the following are considered important reasons for cancelling a contract: considerable damage caused by the tenant to the farm entrusted to him; his not complying regularly with important duties imposed upon him by the contract or by the law; his injuring in any way the interests of the proprietor (the law enumerates cases of this kind); an assault on the proprietor or any member of his family by the tenant or by any member of his family; the condemnation of the tenant during the duration of the contract, for theft, abuse of trust or swindling; lastly, any case in which the personal circumstances of the tenant or his family or his economic position should be such as to prevent him for a long time from

fulfilling regularly the principal obligations imposed upon him by the contract.

Article 6 of the law enumerates the important reasons which would authorise the breaking of the contract by the tenant, namely: if the nature of the farm is such as to prevent his cultivating it according to the terms of the contract, or if it should deteriorate during the time of the duration of the contract, or if the proprietor should not keep it in a condition in which it might be utilised, or should not conform to the obligations imposed upon him by the contract or by the law; if he should refuse his consent to extensive improvements necessary or useful proposed by the tenant with the view of increasing the returns; if the proprietor should in any way damage the interests of the tenant, especially by refusing to pay him within a year the sums due to him either by the contract or by law, after the last settlement of accounts; lastly, should the proprietor assault the tenant or any member of his family residing with him.

Should the contract be cancelled before the harvest, the proprietor must compensate the tenant for his labour; if on the contrary the contract be cancelled through the fault of the tenant or should he abandon the farm without reason, the landlord has a right of lien by virtue of article 1.101 of the General Civil Code in order to indemnify himself for damage caused to the farm and for the ultimate damage to himself, in so far as the damage is connected with the tenant relation.

The sale of the farm does not entail the immediate breaking of the contract; the new proprietor must observe it without alteration till the period of its normal expiration. An exception is made to this rule when the contract expires more than two years after 11th November following the formal communication to the tenant of the fact that the property has passed into other hands. In this case both parties have power to shorten the duration of the contract up to the 11th May of the second year. The sale of any fixture belonging to the land has no effect on the duration of the contract provided that the above conditions are observed; but the tenant has a right to compensation for damage or to a proportional diminution of the payments due from him by the contract.

Agreements respecting labour done by the help of animals or vehicles for the benefit of the proprietor or any other, whether gratuitous or at a lower price than that fixed by local custom, are of no value; the same rule applies in the case of labour above referred to if the tenant considers that doing such work would be injurious to his interests either because of its importance, or because of the time when it must be done. Those agreements are also void by which the tenant must pay to the proprietor the cost of work done by him beyond the limits of the farm, and by which the tenant renounces in advance the compensation due to him by the present law; those also which prevent the tenant selling his share of the crop; those that impose on him the obligation of gratuitous carriage of the proprietor's share of the crop if between the place of loading and that of unloading be a distance of more than eight kilometres of level ground or two of mountain; those that impose on the tenant the obligation to pay compensation to the

proprietor should the crop be lost; those that forbid the tenant to buy land or houses or to undertake work outside the farm, but on condition that cultivation should be normal and the working of the farm be regular.

Rights dependent on contracts become null and void three years after the expiration of the contract. In case of any dispute experts may be called in, one nominated by the landlord, one by the tenant and a third by the two experts above mentioned. The experts may, if both parties consent, act as judges without appeal to any other legal authority; their arbitration has the force of a writ of execution. We have already said that the law will come into force on 11th November of the current year (1915); within the space of a year from that time all contracts must be adapted to the provisions of this law. Notwithstanding any agreement to the contrary, these contracts may be cancelled by either party at latest on 11th May of the solar year following the coming into force of this law; in this way such contracts will expire on 11th November following.

§ 2. Istria

In Istria the *colonat* contract prevails only in the Italian part of the peninsula. At Capo d'Istria there are two principal forms of contract: the first is the old Venetian custom, the *colonat* in the strict meaning of the world; the second is the metayer system. The difference between the two is slight.

In the first case the proprietor supplies the tenant with a house and cattle, or with one or the other; in the second the tenant owns both house and cattle, the house being generally in the town. Vines, olives, corn, fruit and vegetables are cultivated.

The metayers are called *Paulani*; the *colons* properly so called, are *peasants*.

Contracts whether of metayage or *colonat* at Capo d'Istria between the owners of rural property and their tenants generally contain the following provisions:

The proprietor entrusts to the tenant for working purposes the house and the adjoining buildings from 15th August, for a year, or five years, or even for a much longer period according to the conditions of the contract.

The proprietor pays the whole of the land tax and the *Casatico*, all the manure bought to make up the required quantity, the chemical manures, the galvanised iron wire and the poles for the newly-planted vines; he also pays half the cost of the sulphur, the sulphate of copper and the extract of tobacco indispensable to combat the parasitic diseases of the plants cultivated. The house and farm buildings are kept in repair exclusively at the cost of the proprietor. The tenant performs the work according to the season; he has the house rent-free and firewood, as well as all the fodder and straw produced on the farm for the requirements of the animals.

The heavier work in clearing new land for planting wines or fruit trees, is paid half by the proprietor and half by the tenant with his own labour and that of his family.

The produce, (fruit, vegetables, cereals, olives etc.) are shared equally between the proprietor and the tenant, and should the tenant, with the proprietor's consent, sell the whole or a part of the crop, the amount, after all expenses have been deducted, is equally shared between the tenant and the proprietor. The tenant must carry to the proprietor's town house, without charge, either in a cart or on the back of a donkey, half of the grapes and other fruit, corn and potatoes, and he must every year give to the proprietor a ham from the pig which he has fattened for his own use, as rent for the pigsty, and if the farm is very large he must give as a present one hundred eggs and twenty-four hens.

The tenant hires a cow from his landlord for a monthly sum which varies according to the milk that he sells. In this case the money realised by the sale of the calf is shared equally between the landlord and the tenant. Should the tenant wish to leave the farm he must give notice on 14th February at latest and he must leave the house and land on 15th August of the same year ; but he has a right to the profit till the olive harvest is over.

In contracts of metayage where a house is not given to the tenant, the same regulations prevail except as regards the ham, eggs and fowls, cows and calves. Notice must be given at the latest on 29th June, and the metayer must leave as soon as the vintage and the wheat harvest are over, while the tenant has a right to the profits till the olive crop comes in. At Buje and Parenzo the tenant gives up all the grapes and receives half the profits in cash ; at Buje he keeps for himself two-thirds of the maize, and sometimes even the whole, while the oil and wine are shared equally.

At Pirano metayage is more general. Here the tenant often pays all the taxes and in making improvements he often gives gratuitous help. But he gives no gratuitous labour to the proprietor. He usually receives 20 hectares of land, comprising wood and pasturage for a pair of oxen and a cow. He provides the cattle if he can ; if not, he receives less than half of the crop.

At Parenzo metayage is also general. At Pola according to an old custom, the metayer becomes proprietor of half the land cleared by him, but at Parenzo clearing is done at the cost of the proprietor. If done by the tenant the produce of the cleared land is his for five years, but this in reality means only two years, because vines do not produce till the third year.

In the islands of Quarnero the peasants themselves usually lay out the new vineyards, and are afterwards indemnified. The produce is divided, the share of the proprietor varying between one-third and one half, scarcely ever amounting to two-thirds. At Veglia the houses belong for the most part to the peasants, and here, as well as at Lussin and at Cherso, the houses are in better condition than on the mainland.

RUSSIA.

THE GREAT AGRARIAN REFORM OF 1907-1914 AND ITS RESULTS.

§ 1. The agrarian reform of 1861 and its consequences.

The object of the great agrarian reform now in progress in Russia is to correct, in certain essential points, and to complete, the rural organisation established by what may be called the first agrarian reform in Russia, — the series of legislative and economic measures concerning the emancipation of the serfs, the foundation and pivot of which was the celebrated Imperial Ukase of February 19th (3rd. March) 1861. (1)

The agrarian laws of 1861 had allotted to the liberated peasants a total area of 117 millions of deciatines (128 million hectares) of land capable of cultivation (2) either originally belonging to the State, or purchased by it from noble proprietors. This land, the value of which must be repaid to the State in forty-nine successive annual instalments, was granted, not to individual peasants, but to communal associations (*Mirs*) in proportion to

(1) The chief laws of Russia being often indicated only by their date (*e. g.* ukase of February 19th, 1861), we have in this article retained these designations *according to the Russian calendar.*

(2) An area equal to 4 $\frac{1}{3}$ times the whole extent of Italy. The details of the distribution are shown in the table below :

Serfs	Communes		"Souls"		Lands allotted	
	Number	%	Number	%	Deciatines	%
Of the nobility	91,475	65.5	10,050,200	44.9	33,753,759	28.9
Of appanages	5,525	4.0	900,456	4.0	4,333,261	3.7
Of crown domains	36,723	26.3	9,643,606	43.1	57,130,141	48.9
Others	5,900	4.2	1,801,777	8.0	21,635,694	18.5
Total . . .	139,625	100.0	22,396,069	100.0	116,854,855	100.0

the number of "souls" they comprised, that is, in proportion to the number of their adult male members who were responsible for the integral and regular payment of the instalments due to the State for the whole domain devolving upon the commune. This domain (1) was in its turn be to divided according to the strictest equity among the "hearths" or households of the commune, and placed at their disposal, each head of a household thus becoming simply the *holder* of a plot or *nadiel* (2) of which the whole *Mir* is the one and only proprietor.

Here unfortunately the direct action of the central authorities of the States ceased, for as regarded the ulterior management of their respective domains, a large measure of autonomy was granted to the Mirs. No general principle of division of land among their members was imposed upon them. Most frequently this division (3) was made by "hearth" in proportion to the number of "souls", each household undertaking to pay its quota of the whole instalment due to the State by the association. Furthermore, in order that the great law of the equality of all should not be infringed, either by natural changes through births and deaths in the number of "souls" per *nadiel*, or by rise or fall in the value of the plot, it was provided that new general or partial divisions of the whole communal domain should take place, either periodically or whenever demanded by at least two-thirds of the active members of the community.

Excellent as this principle is in theory, none the less did it lead to absurdities in practice, and even to disastrous results.

It is evident that the value of a plot of ground depends not only in its extent, but on the quality of the soil, its degree of fertility, the distance of the plot from a village, from water-courses and from roads, and many other circumstances impossible to foresee. Desiring at all costs to act with the most scrupulous equity, the Mir found no better plan that to divide all its land — excepting only the woods and pasturage, which generally remained undivided — into as many different "zones" as there were varieties in quality, — rich, poor, near, distant, clay, sandy, and so on. In each of these zones, each "hearth" received a plot strictly proportioned to the number of its "souls". The plots forming the *nadiel* for one "hearth" were thus distributed over the whole immense extent of a Russian commune, and ad istance of from five to ten kilomètres between them was not considered abnormal. It thus often happened that in spite of the

(1) Several other forms of concession according to local circumstances were adopted. We shall here consider only the most important, the most general, that especially of which the consequences were most serious. For further details of the agrarian reform in Russia in 1861 see the article entitled "Principal Features of the New Agrarian Reform in Russia" in our "Bulletins" for Nov. 1913 and Jan. 1914.

(2) In conformity with Russian usage we extent the meaning of the word *nadiel* in the present article also to *the whole area* of the land divided among the peasants. The term *nadiel land* will thus signify land forming part of the 117 million deciatines allotted to the serfs freed by the imperial ukase of 19th February, 1861.

(3) Here again we consider only the form of division most generally adopted, and the most important in its results.

scarcity of land (1) many families were compelled to leave uncultivated the plots which were furthest from their dwellings.

The system had another serious defect : if by hard work and intelligent effort, by careful ploughing and the use of suitable manures, etc., the value of a plot had risen and its returns increased, it might be decided by two-thirds of the heads of families in the commune that the equity of the original division of the land was destroyed, and that a new distribution must be made by which every hearth should have a share of the improved land, the cause of the litigation. This was not an uncommon case.

To these defects must be added that caused by the natural movement of the population which necessitated successive divisions of the small plots of the various "nadiels" among the often numerous heirs of a former holder and it will be understood that the result might be the formation of *nadiels* of more than a hundred plots, some of which are strips of land two or three mètres in breadth by more than a kilometre in length, and many of them at a distance of fifteen kilomètres or more from the dwelling of the holder (2).

Owing to the narrowness of these plots and to their being wedged in between strips of land belonging to other owners, the crops were necessarily uniform and simultaneous ; sowing and reaping had to be carried on at fixed times, and all the inhabitants of a village had at the same time to do the same work, for should one among them not follow this rule, the passing of the others over his land or the grazing of the communal cattle, also necessarily at a fixed period, might cause serious damage to his holding.

It is clear that this absurd system paralysed every effort and destroyed all individual iniatiative. The Russian peasant was merely a holder on very precarious terms of a plot of ground divided into small portions, in many cases too far off to be worth cultivating. He was obliged by an authoritative majority, conservative to the last degree, to conform in every respect to superannuated traditional methods of cultivation, and knowing as he did that by every improvement of his "nadiel" he ran the risk of its being taken from him, he necessarily and by the force of circumstances became gradually one of the worst of agriculturists.

It will be seen that the too large measure of autonomy conceded by the reform of 1861 to communal institutions with regard to their agarian organisation, together with their absurd and ill-advised carrying out of a theory excellent in itself, led to three results. These taken together amply explain the truly wretched conditions of rural economy in Russia at the beginning of the present century. These results were :

(1) The absolute dependence of agriculturists on the *Mir*, destroying all tendency to advance ;

(1) The reasons of this scarcity will be given later.

(2) Compare PREYER W. D. " Die Russische Agrarreform " (Jena, 1914) ; WIETH-KNUDSEN K. A. " Bauernfrage und Agrarreform in Russland, " (Munich 1913), also " La reforme agraire en Russie " published by the Russian Chamber of Commerce in Paris.

(2) The excessive subdivision of the *nadiels*, making all rational cultivation of the land impossible;

(3) A certain shortage of land capable of cultivation, caused partly by the enormous natural increase of the population, and partly by the ill-advised subdivision of which we have spoken rendered useless a large part of the land composing the *nadiel*.

§ 2. The agrarian reform of 1906: its origin and character.

Towards the end of the last century it had become evident to everyone in Russia that to put an end to the ever increasing irritation caused by the existing conditions we have just outlined, it was necessary that there should be a total reformation in all rural organisations.

To the Government is due to the honour of initiating such a reform by its convocation in 1902 (1) of local committees and general conferences of specialists, as well as of persons directly interested in the detailed study of the requirements of agricultural industry, and of the state of the peasantry, whose existence had become insupportable through the defects of the first agrarian reform. The work undertaken by these committees and conferences, in spite of many difficulties, ended in a second great agrarian reform called the agrarian reform of 1906, because it was in the course of this year that the proposed fundamental measures became law, namely, ukases of 4th March and of 19th September, and most important of all, of 9th November 1906, confirmed after long debate by the Duma and the Council of the Empire by the law of 14th June, 1910. This law "On the possession of land by the peasantry" was finally confirmed by the law of 29th May, 1911, "On agrarian organisation".

We shall not now reiterate the details of this remarkable series of legislative measures already fully described in our *Bulletin* in the issues of November, 1913 and January, 1914, under the title of "Principal Features of the New Agrarian Reform in Russia".

We shall here only give a slight sketch of the circumstances that led to the reform, as well as of the fundamental principles which eventually triumphed.

With regard to the three chief defects in the agrarian reform of 1861, three different measures were proposed, as being, when taken together, the only remedy for the truly miserable condition of the Russian peasant. (2)

(1) Let us note this date, for it furnishes a definite refutation of the assertion of certain writers that the Russian government *had been forced to consent* to reforms by the agrarian disturbances of 1905 and 1906.

(2) Once for all, we may observe that in Russia the term "peasant" conveys a very different idea from what it does in Western Europe. In Russia the peasantry form a distinct class having its own rights and privileges. The Communal association having become in 1861 the owner of the land, the size of the plot for each "hearth" was made in proportion to the number of families in each commune, so that as may be supposed the *Mir* did not favour an increase in the number. It was therefore difficult for any peasant to become a member of any commune unless he belonged to it by birh.

I. — Enfranchisement of agriculturists from dependence on the *Mir*, and the transmutation of his portion of land held under the commune into individual property ;

II. — General division of the land into lots, if possible, one for each tenant ;

III. — A larger superficies of fertile land for tenants.

All were more or less agreed on the expediency of each of these three proposed measures but there was much divergence of opinion as to their relative importance, and the principles to be followed in their practical application.

Supported by the Right and Centre, the Ministry — the moving spirit of the proposed reform, — maintained that *want* of land (*i.e.* insufficiency of land, not insufficiency of cultivation) was far from being general, and where it existed it was possible to palliate or even remedy the want by emigration to the rich tracts of trans-Uralian Russia, or by favourable, though not gratuitous, grants of land, belonging to the State or bought for this purpose by the Peasants' Bank, to peasants who either had no land or not sufficient. It was, however, imperative to avoid delay over this comparatively secondary point, for all energies had to be concentrated on the transformation of collective communal ownership into individual ownership. This had to be effected by the enfranchisement from the power of the *Mir*, and by the division of the land of the *nadiel* the only means of raising the condition of the peasantry socially and morally, and also that of agriculture. Such an amelioration, irrespective of any increase in the annual return from the land, was the only way to meet the needs of the agricultural classes.

The opposition declared itself for a treatment diametrically opposite to this. Numerous and varied as were the projects offered by the diverse fractions of the Left, they were all based on the granting of more land to the peasantry, difference among them being chiefly as to the manner of expropriation — whether the grants should be gratuitous or otherwise, or whether the lands thus to be disposed of should be taken from State property, or from that of private persons not of the peasant class. And with regard to the *Mir*, the opposition, though admitting its many defects and difficulties, considered it so deeply rooted in the national mind that it would be imprudent even if possible, to make changes, even unimportant.

Thus on the one side was the moral, social and material elevation of the peasant by the suppression of the hindrances of every description imposed by the old régime to all normal development ; on the other, brutal and iniquitous expropriation of the more fertile land, a course absolutely inefficacious if carried out, as it would be, without any radical change in the conditions which were rendering a rational and remunerative cultivation of the land impossible.

A few figures will show the entire absurdity of the pretended want of land for the Russian peasant. Statistics show that on the eve of the reform of 1906 the average extent of land capable of cultivation then held by the Russian peasantry, by "hearth" or household, was 10.2 de-

ciatines (10.9 hectares) if we compute only the lands of the *nadiel*, and of 13 deciatines (14 hectares) if we add the lands bought by the peasants themselves since 1861. In Austria, the corresponding area is 5.1 deciatines, equal to 5.43 hectares; in France 4.4 deciatines (4.79 hectares); and in Germany, 4.1 deciatines, equal to 4.30 hectares.

The plot of land, then, of the small producer in Russia, was two or three times as large as that of his Austrian, French or German brother, whether we take into consideration the *nadiels* alone or the total of the land at the disposal of the Russian peasant.

Now, as the Russian soil is in no way inferior in fertility to that of France, Germany or Austria — under equal cultivation — it is evident that if the Russian peasant died of hunger on a property three times as large as that which sufficed for the comfortable support of the peasant of other countries, it was notbecause the property was too small, but only because of the deplorable conditions (see § 1) (1) to which its owner was subjected in its cultivation.

It is difficult now, after ten years, to conceive how such a plan for agrarian reform as that offered by the Russian Left could find so many enthusiastic and ardent adherents. To understand this, we must remember that besides the theorists and dreamers who supported the proposals, there was a crowd of others infinitely less ideal who, under a cloak of humanitarianism and agrarian interest, were instigated only by political motives.

The general misery which prevailed among the rural classes in Russia at the beginning of the present century had thrown them into despair, and made the *Mirs* hot beds of discontent and the strongest support of the subversive element after the agrarian troubles of 1905 and 1906.

The reform proposed by the Government aimed at abolishing at one stroke the radical causes of this misery, by breaking the insupportable yoke of the *Mir*, by uniting in one lot the numerous and scattered portions forming the property of one tenant often on precarious tenure, by increasing some holdings, and by granting holdings to those who had none. In a word, to put an end to the worst causes of the general misery.

This being put in force, the diminution of misery naturally caused diminution of discontent, and the creation of a large class of peasant proprietors created a strong conservative element.

The breaking of the yoke of the *Mir* annihilated its influence as a centre of opposition. In short, by bettering the condition of the peasant, the Government snatched the most powerful weapon from the hands of the revolutionary party — the participation and sympathy of the rural population. This was exactly what the leaders of the extreme Left wished to avoid, discredited as they were in the eyes of the middle classes because of the excesses committed by the revolutionary party. The programme of the Left may be summed up thus: to oppose at all costs the

(1) See POLEJAJEFF P. "Six Years: Russia from 1906 till 1912." (Paris, Plon-Nourrit, 1912), page 85, also the pamphlet already quoted, published by the Russian Chamber of Commerce at Paris,

introduction of individual property, to support the *Mir* as much as possible to counterbalance the refusal of these advantages which were too evident to be denied, and to dazzle the peasant with the ever attractive prospect of land without payment, snatched either from the State, from the great nobles, or from institutions.

The conflict between the two parties was, as we know, long and obstinate. With the support of the firmness of the Government, good sense triumphed, and the third Duma finally approved a measure of reform which, except for some amendments more or less insignificant, agreed entirely with that drawn up by the Ministers Witte and Goremykin, and definitely established by P. A. Stolypin.

§ 3. General outlines of the great agrarian reform.

We have seen above that the Government bill finally approved by the Duma comprised, in fact, three reforms: (1) The substitution of individual for collective property; (2) the redivision of land into plots, each to be as far as possible allotted to one holder, and, lastly, (3) the increase of the area capable of cultivation to be held by peasants.

This last reform, chiefly economic in character, is a problem of internal colonisation, the solution of which has been entrusted to two institutions established *ad hoc*, namely, the General Emigration Commission, which undertakes the colonisation of the Asiatic provinces of the Empire (trans-Uralian, trans-Caspian and trans-Caucasian), and the Peasant's Land Credit Bank which assists peasants in the purchase under favourable conditions of land situated in European Russia.

In three former articles in this *Bulletin* we have sketched in outline the work of internal colonisation both in Siberia and the Caucasus. (1) We hope soon to be able to offer our readers a sketch of the work of the Peasants's Land Credit Bank. The question of the extension of areas capable of cultivation being now sufficiently elucidated, we shall confine ourselves in the present article to an outline of the work accomplished in relation to the two other reforms comprised in the Government plan of agrarian re-organisation.

These two reforms, the introduction of individual ownership and the redivision of the land, inseparable in so far as they are intimately dependent one upon the other, constitute, as a whole, agrarian re-organisation properly so-called, and it is as a whole that we shall now examine their results

With regard to changes made as to rights of property the reform may be thus summed up:

The fundamental principle of the reform consists in the enactement that that every peasant who is head of a family and a member of the *Mir* be-

(1) See "Internal Colonisation in the Caucasus from 1908 to 1912" in the number for October 1914; "Internal Colonisation in Siberia in 1913" in the number for March 1915, and lastly, "The Economic Results of Internal Colonisation in Siberia" in the number for May, 1915.

comes (*ipso facto* in certain cases, and at his own request in others) the free and independent proprietor of the communal land previously held by him, or of land exactly equivalent in agricultural value.

In the case of communal lands not subjected to any general division since the enfranchisement of the serfs, this right of full ownership is acquired, *ipso facto*, from the date of the promulgation of the law (1), and in this case the plot allotted to each "hearth" must be that which the family in question had cultivated since 1861.

In the case of communal lands which had been subjected to a general division since that of 1861, the right of ownership, must be expressly claimed by the heads of families who have full right to it only under this condition. With regard to the plot of ground to which they acquire full ownership, the law distinguishes two cases :

(1) In those communes where no general repartition of land has been made since 1893, the plot must be either that hitherto cultivated by the family or one absolutely equivalent ;

(2) Where a general repartition of communal land had been made since 1893, any head of a family desirous of separating himself from the *Mir* will receive full ownership of a plot, equivalent, not necessarily to that which he had hitherto cultivated, but to that portion of communal land which would fall to his share in case of a new division made at the date of the promulgation of the law.

This law also provides for the case of a whole commune exchanging collective for individual ownership, with repartition of all the land possessed by the *Mir*. The law requires that this exchange shall take place as soon as it is demanded by a majority of the heads of the families of the commune.

One of the most important measures of this reform is the complete and definite abolition of the system, traditional in Russia, of the collective ownerships of the *family* (2). All the land possessed by any household must henceforth belong not to the *whole* family as hitherto, but exclusively to the *head of the family* personally. This measure is a natural and logical extension of the suppression of the collective ownership of the *Mir* and is based on the same principle, namely the development of individual independence and initiative.

A final series of legislative stipulations is intended to retain the land in the hands of those by whom it is cultivated. It must not be supposed that the peasant who has acquired individual ownership may dispose as he pleases of the land which has become his property.

He cannot sell it except to another peasant, he cannot mortgage it except to the Peasant's Land Credit Bank and then he must employ the

(1) To give an idea of the importance of this measure it will be sufficient to point out that the number of entire communes in which no re-division of land had been made since 1861 rose at the time of the promulgation of the law to 116 045. In these 116 045 communes were heads of families who thus at once found themselves free proprietors of 30,656,940 desjatines of land (equal to the whole cultivated area of Germany and the United Kingdom) which they has hitherto farmed as tenants under the "Mir".

(2) C. § 8 which treats of the consequences of this measure.

loan granted to him either in the purchase of land or in the improvement of that which he already possesses. The land forming part of a *nadiel*, even if converted into individual property can in no case be sold by auction to satisfy a creditor, any more than agricultural implements, horses or cattle indispensable in the working of the farm can be thus sold.

On the other hand, to prevent the monopolisation of land to the detriment of the small proprietor, the law of 14th June, 1910, provides that no individual shall hold too many plots of land. The maximum fixed by the law varies here according to districts, as must naturally be the case in a country so vast as Russia, and to these variations, often considerable, must be attributed the frequent contradictions in the accounts of the results of this excellent measure given by different writers. According to the opinion of the Russian Chamber of Commerce in Paris it " seems to permit any single family to concentrate in its own hands the lands of thirty peasants, and though the law makes no precise statement on this subject the value of the land held by a single peasant proprietor may amount to 10,000 francs. " (1)

With regard to modifications in the division of land and in rural organisation in general the great agrarian reform of 1906 may be thus summarised :

To check the too minute division of land it has been decided that in case of a new repartition, the communal association is authorised to unite in the hands of one tenant the plots belonging to those of its members who have claimed individual ownership.

Should the whole commune desire individual ownership the entire communal domain must be divided into plots each to be held by one single tenant, if such division be demanded by a majority of heads of families.

When seeking to exchange collective for individual ownership, every member of the *Mir*, may demand a single plot of ground instead of the scattered plots that form his portion.

This last measure, which has perhaps led to more important results than any other part of the law, necessarily implies compulsory division of communal land, partial or total according to circumstances. Indeed if this were not the case, and one single head of a family should request to have his various plots exchanged for one piece of ground, the refusal of a majority of the members of the *Mir* to consent to such exchange would be sufficient to prevent its taking places.

(1) POLEJAJEFF (previously quoted, p. 111) writes " The law has limited the concentration of " nadiels " within extremely narrow limits ; in the governments of Great Russia the maximum does not exceed 100 times the normal nadiel : in Bessarabia it must not exceed the double." ANHAGEN, on the contrary (" Zur Beurteilung der russischen Agrarreform ") says : " In Great and Little Russia individual property must not exceed six times the maximum extent of the " nadiel " granted to each " soul " at the time of emancipation. As this measure varied according to soil, climate and other circumstances the maximum in question also varies from 16 ½ to 72 deciatines (Russlands Kultur und Volkswirthschaft, Berlin and Leipsic, 1913, Göxschen, p. 120).

For reasons of this kind, and in certain cases clearly specified by the law, this provision regarding compulsory division has been extended still further. It might, for instance, be proposed to remove inconvenient boundaries, to allot to some head of a family desiring individual ownership his portion of communal land, to eliminate property in a piece of land which interferes with a rational re-division of a number of plots, etc. In all these cases, and others besides, the law, which as a rule only applied to lands belonging to *nadiels*, makes an exception by authorising the extension of compulsory redivision as far as may be strictly necessary even beyond the limits of the *nadiel*. Whether belonging fully and entirely to peasants, to citizens, to nobles, to institutions, or indeed even to the State, lands of every category may thus be subjected to compulsory redivision, partial or total, whenever judged necessary by the competent authorities, in this case, the Agrarian Commission of which we shall speak hereafter.

While the law may thus, in the interest of the public, and in certain clearly defined cases, extend the results of the reform even to proprietors who are not peasants, it may also authorise certain classes among them, associations and small citizen-proprietors for instance, to demand for themselves to be included in the action of the executive authorities of reform. We shall see later (1) that many have already hastened to avail themselves of this privilege, the immediate result of which is to place gratuitously at their disposal all the vast machinery created by the State for the purpose of carrying out on the spot every kind of agrarian organisation.

It must be added that besides the establishment of rights of property and the general redivision of land, the executive powers of the great agrarian reform, namely, the Agrarian Commissions, are entrusted with the carrying out of a series of subordinate measures intended to facilitate in one way or another the general work of reform. They are directed to give material assistance to the peasants on the form of loans, and to help in the removal and re-construction of their houses and other buildings required on their land. (2) They must also assist emigration to Siberia, the purchase of land through the Peasant's Land Credit Bank, purchases and leases of land belonging to the State, and the carrying out of elementary improvements. They must also give technical assistance required in the course of agrarian reorganisation and the construction of non-combustible buildings where the *zemstvos* have not yet taken the initiative. (3)

§ 4. The executive authorities and the work of carrying out the reforms.

To ensure uniformity and harmony in carrying out measures connected with the great reform, the direction of the whole has been concentrate in the hands of a " Central Committee of Rural Affairs " constituted *ad hoc* by

(1) See Table XII.

(2) See § 7.

(3) We hope to publish later in our *Bulletin* an article especially devoted to these secondary labours of the Agrarian Commissions.

the Ministry of Agriculture (1), composed of representatives of all bodies interested in reform, — the Ministries of the Interior, of Finance, of Landed property and of Justice, as well as the Directors of Forests and of the Control of the Empire. From this committee, which has special governing powers, arise the executive bodies of agrarian reform, namely, the " Agrarian Commissions " constituted successively in proportion to the need in 463 districts (уѣзды) comprised in the 47 provinces (гуверніи governments) of the Empire to which the great reform extends. (2)

These Agrarian Commissions composed of Government officers, technical experts, and delegates elected by the local inhabitants, are divided into two classes, Provincial and District Commissions, the second being always subordinate to the first.

The powers of the Provincial Agrarian Commissions are principally juridical. They pass upon plans of agrarian re-organisation drawn up and prepared on the spot and submitted to them by the District Agrarian Commissions, and unless there is an appeal to the Central Council of Rural Affairs *their approval has the full force of a legal sanction.*

The Local or District Agrarian Commissions are the executive organisation of the reform in the strictest acceptation of the word. They are seconded by an immense staff of land-surveyors, valuers and technical experts of all kinds (3) in their inquiries made on the spot into every project which comes within the scope of the reform (4).

(1) Its official designation is " General Managing Body of Agrarian Organisation and of Agriculture ".

(2) For reasons too many to enumerate here the agrarian reform of 1906 has not extended to Asiatic Russia, nor to the Caucasus, nor to Poland, nor Finland nor to the Baltic Provinces. It only extends to the 47 provinces of European Russie properly so called.

(3) The whole staff or the Agrarian Commission, including technical experts, land surveyors, agriculturists, etc., numbers nearly 10,000. In 1913. the land surveyors alone numbered 6,400.

(4) The Agrarian Commissions are composed as follows :

(See Preyer, previously quoted p. 240).

A. *Povincial Agrarian Commissions.*

1. The Governor of the Province (President).
2. The Marshal of the nobility of the Province (Vice-president).
3. The President of the provincial " Zemstvo ".
4. The President of the Provincial Tribunal.
5. A member of the Provincial Tribunal appointed *ad hoc.*
6. A representative of the Ministry of Agriculture.
7. A member of the Provincial Administration chosen by the Governor.
8. The Provincial Engineer-surveyor.
9. and 10. Two members elected by the " Zemstvo ", one at least of whom must be a peasant settled on the land of the *nadiel.*

B. *District Agrarian Commissions.*

1. The Marshal of the nobility of the District (president)
2. The President of the " Zemstvo " of the district (vice-president).
3. A permanent member chosen by the Ministry of Agriculture.
4. A member of the District Tribunal.
5. The " Chief of the District ".
6, 7, 8. Three members elected by the " Zemtsvo " of the District.
9, 10, 11. Three peasant members elected by the peasantry.
12. A " local " member elected by the commune on the spot where a particular work is to be carried out by the Commission, but only for the time required to complete the work.

In conformity with the general principles laid down in the preceding pages, the law defines its various undertakings thus :

I. Allotment as separate property and with the necessary redivision, to one entire village (or more) desirous of giving up connection with the *Mir*, and its portion of communal land. When not complicated with any other arrangement, the village thus separated from the *Mir* retains its characters of colletive ownership as regards its own inhabitants. In other words this is simply separation from the *Mir* with exchange of small scattered plots or ground for one homogeneous tract ;

II. Similar to the preceding, except that the allotment is made not for a whole village but for one or more of its outlying fractions ;

III. Similar to the two preceding, except that it is made at the request and in favour of one or more isolated " hearths ". It must, however, be observed that in accordance with what has been stated above, the plot of the holder when assigned to a " hearth " thus separated from the *Mir*, loses all character of collective ownership by all the members of the family and becomes the individual personal property of the head of the family alone. According to local circumstances the little farm thus constituted becomes a " *Houtor* " or an " *Otroub* ". It is a *Houtor* if the dwelling of the owner is on the land in question and an *Otroub* if the dwelling is in a village at a distance from the farm ;

IV. General division into lots each for one holder, of the land of a communal association which has decided to exchange collective for individual ownership. In this case every head of a family, member of the *Mir*, becomes proprietor of either of a Houtor or of an Otroub ;

V. Fixing of boundaries, sharing and division of plots of land hitherto communal property among peasants and others who are to be individual owners (1) ;

VI. Similar to the preceding, but only extending to lands belonging esclusively to peasants ;

VII. Redivision (voluntary or compulsory) of lands not allotted, that is not forming part of the *nadiel*, but belonging only to peasants in their own right, *i. e.* land bought by the mafter their enfranchisement in 1861. ;

VIII. Compulsory redivision (except of course in case of an amicable agreement) of enclosed and adjoining lands, if necessary in order to take away the boundaries and redivide contignous plots. (2)

(1) Peasants in many places often retain the right of pasture on land which formerly belonged to their *nadiel*.

(2) In the course of this article the numbers given below in Roman figures will be used to indicate these agrarian re-arrangements. Where possible in the tables the abridged designation of each will be given as well as the number.

I. Separation of whole villages.
II. Separation of portions or fraction of villages.
III. Separation of isolated " hearths ".
IV. General allotment of the *Mir* to individual owners.
V. Sharing of undivided land between peasants and private owners.
VI. Redivision of land not allotted.
VII. Allotment of the common land of peasants.
VIII. Removing boundaries.

Of the eight operations which we have just described, the first four bear on the entire lands of a *Mir*, of a village or fraction of a village, or even on the property of a private person ; they are therefore the *fundamental* operations of agrarian reorganisation. The last four, however, are seldom, resorted to and then only when local circumstances render them necessary. They serve as the complement of the first, and we may therefore consider them of but secondary importance or as *accessories* in the reform.

With reference to final results in regard to landed property the fundamental operations of reorganisation are of two essentially different descriptions. The first and second (separation of villages and fractions of villages) without regard to collective property form by themselves *collective agrarian re-organisation*. The division of the land into plots is abolished but the collective ownership of land and its cultivation remain.

This form of reorganisation, however, does not coincide with the requirements of rational and complete agrarian reform.

The results of the two other fundamental operations are infinitely superior (separation of individuals and winding-up of the *Mir*).

Suppressing collective ownership and replacing it by individual ownership constitute in themselves the most perfect means for the rural re-organisation recommended by the Russian government — that is, *individual agrarian reorganisation*. We shall see later (§ 7) that special facilities are accorded with a view to encourage peasants to choose this last, and to aid in defraying the expenses involved.

§ 5. Work of the agrarian commissions: a statistical outline of the results obtained.

Let us now turn to the mode of procedure in agrarian re-organisation.

The first step is the consideration of all requests for intervention addressed to the District Commission. Each application is considered from a legal point of view and if well founded an "Organising Commissioner", who is always one of its own members or one of the land surveyors in its employment, is appointed to make a preliminary enquiry on the spot, bearing in mind the wishes of the inhabitants and the probable effect on adjoining lands. Should the result of the enquiry be favourable to the proposed work a definite plan is drawn out and entrusted to the technical staff attached to the District Commission (surveyors, agriculturists, engineers, etc.). The work is carried on under the direct supervision of one of the Organising Commissioners. These "technical expeditions" consider the matter under all its aspects in detail, with due regard to all questions in connection. After careful survey and valuation of the ground by experts, the proposed changes are marked on the soil itself according to the plan, and the boundaries of the lots to be formed. The project is then submitted to the parties interested, who during the course of the work are required by law to co-operate, and to offer their opinions. At length, with reserva-

tions which anyone involved in the affair, and especially peasant holders of the lands to be divided may suggest, the plan is returned to the Agrarian Commission of the district, which examines it in a public session, and after making any alteration that may be required transmits it with its preeliminaries and any objections made by those interested, to the Provincial Agrarian Commission by which it is examined. It may then either be returned to the District Commission for alteration or modification, or definitively approved. We already know that except in the case of appeal (always possible but seldom practised) (1) to the Central Committee for Rural Affairs, the approbation of the Provincial Commission has the force of law.

***

From this concise sketch of the working methods of the reform Commissions, it follows that general statistics of the results obtained must be drawn up with special consideration of the four following points :

(1) Number of demands for intervention by the District Commissions ;

(2) number and extent of agrarian operations previously sketched ;

(3) number and extent of operations definitely arranged for by District Commissions ;

(4) number and extent of projects approved by the Agrarian Provincial Commission and thereby legalised ;

In this, the only logical and natural order we shall hereafter examine the results obtained by the Russian Government in this gigantic undertaking.

(*To be continued*).

(1) See Table XVI.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO AGRICULTURAL ECONOMY IN GENERAL.

SPAIN.

INFORMACIÓN SUCINTA RELATIVA A LA COLONIA AGRÍCOLA DEL MONTE ALGAIDA (*Sanlúcar de Barrameda*). Brochure in-8°, 32 pp. Jerez de la Frontera, Cromotypographie Salido Hnos, 1915.

The agricultural colony of Mount Algaida is one of the experiments made in the application of the law of August 30th, 1907, on home colonisation. It is for that reason that particular interest attaches to this publication in which the Director of the Colony, Mr Torrejón, by profession an agricultural engineer, presents a series of statistics relating to the technical and economic organisation of the colony, to the difficulties which have been encountered at the start, the partial results obtained, and the prospects for the future. We shall be examining the information presented at some length in a later number of this *Bulletin*. We shall merely mention here that the colony embraces an area of 254 hectares divided into 196 holdings, of which 138 are devoted to market-gardening, an industry which represents a value of more than 1,518,000 francs.

UNITED STATES.

ISRAEL (HENRY), Editor: Unifying Rural Community Interests. 1 vol. in-8°. 125 pp. Association Press: New York, 1914.

Unifying Rural Community Interests is the title given to the report of the proceedings of a conference held recently under the auspices of the Young Men's Christian Association. The Association has become in a special manner identified with the encouragement of community efforts at rural betterment in the United States, and the conference was convened with the object of making clear to the delegates the nature of the work being done by some the institutions which are working for the social and moral improvement of the country districts. The volume contains five papers together with the discussion which followed the reading of the

paper in each case. Professor T. N. Carver adressed the Conference on " The Department of Agriculture and Country Life ", and Dr. Butterfield, President of Massachusetts Agricultural College, contributed a paper on " The Place of the Young Men's Christian Association in the New Rural Awakening ". The Rev. C. O. Gill, Dr. Warren H. Wilson, the Hon. Gifford Pinchot, and others well known in connection with the rural movement in America, took part in the discussions.

Nothing was insisted upon during the Conference more often than the need for providing additional opportunities for recreation and training for the country boys and girls. The Y. M. C. A. is already doing good work of this kind, and in many districts it has helped in many other directions as well. It has succeeded in some cases in developing the country school into a real community centre ; it has assisted in compiling rural surveys ; it has organised agricultural fairs and corn clubs. At all times it tries by every means in its power to promote co-operative schemes for community improvement.

ROSS (E. A.), Ph. D., LL. D. : The Old World in the New. 1 vol. in-8°. pp. 318. ill. New York: The Century Co., 1914.

This is a collection in book form of a series of studies of the alien groups in the United States, recently contributed by Professor Ross to the *Century*. The writer passes in review the Celtic Irish, the Germans, the Scandinavians, the Italians, the Slavs, the East European Hebrews and a number of smaller immigrant groups — Finns, Magyars, Portuguese and Greeks. His purpose is to interpret the significance of past and present immigration, or, in other words, to show what effect each group of aliens that has been added to the population has had in modifying the composition and character of the American people.

The writer seems studiously to avoid the word " restriction ", but his attitude upon the immigration question is none the less clear on that account. He regards the present system of unrestricted immigration as deliberate race suicide upon the part of the American people. With him there is no question of balancing advantages against disadvantages, good against evil Immigration of the kind which is now taking place and upon the present scale must cease, and that quickly, if the distinctive American qualities — the qualities of the early settlers and the pioneers of the wilderness — are to be preserved. " I am not ", he writes, " of those who consider humanity and forget the nation, who pity the living but not the unborn. . . .Nor do I regard America as something to be spent quickly and cheerfully for the benefit of pent-up millions in the backward lands. " And again, " We could have helped the Chinese a little by letting their surplus millions swarm in upon us a generation ago ; but we have helped

them infinitely more by protecting our standards and having something worth their copying when the time came."

No one doubts but that the energy with which the author writes is inspired by sincere conviction. Unfortunately, he seems inclined to think that upon occasion, energy may serve as a substitute for argument; and indeed it is not every reader who can clearly see the difference. Therein lies the danger of a facile and attractive writer like Professor Ross. He is unable to resist the temptation to coin a telling phrase or use a strong antithesis whenever the occasion presents itself; and many readers may not notice that the phrase is but a half truth and the antithesis overstates the case, and that both are considerably modified by what the writer says afterwards. The epigrammatical style in writing ensures a circle of readers, and has its uses but it is of very doubtful value in anything in the nature of scientific discussion. Still, the author is always sure of his facts and his figures, and presents both with a confidence which is impressive. It is only to be regretted that he so seldom indicates the source from which he has taken them. In an appendix, he does, it is true, reproduce a number of tables from the "Abstracts of Reports of the Immigration Commission", but the figures which he uses so freely throughout the text have been taken, not from one source but from many, and not from official pubblications only.

RUGGERI ALFREDO, gerente responsabile.

INTERNATIONAL INSTITUTE OF AGRICULTURE

BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

MONTHLY BULLETIN

OF ECONOMIC AND SOCIAL INTELLIGENCE

55th. VOLUME

VIth. YEAR — NUMBER 7

JULY 1915

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Part I: Co-operation and Association

BELGIUM.

THE WORK OF THE "BOERENBOND" (PEASANTS' LEAGUE) IN 1913.

SOURCES :

BOERENBOND BELGE OU LIGUE DES PAYSANS, EXERCISE 1913. RAPPORT SUCCINCTEMENT PRÉSENTÉ À L'ASSEMBLÉE GÉNÉRALE DU 1 JUIN 1914, PAR LE CHANOINE E. LUYTGAERENS. S. TH. B., SECRÉTAIRE GÉNÉRAL (*The Belgian Boerenbond or Peasants' League. Year* 1913. *Brief Report presented at the General Meeting, June* 1st., 1914, *by Canon E. Luytgaerens, S. Th. B., General Secretary*). Louvain, 1914.

EXPOSÉ STATISTIQUE DE LA SITUATION DES ASSOCIATIONS D'INTÉRÊT AGRICOLE PENDANT L'ANNÉE 1911. MINISTÈRE DE L'AGRICULTURE ET DES TRAVAUX PUBLICS. ADMINISTRATION DE L'AGRICULTURE. (*Statistical Statement on the Position of Agricultural Association in* 1911. *Department of Agriculture and Public Works. Agricultural Division*). Brussels, 1913.

The *Boerenbond*, as we know, is the most important organ of the agricultural co-operative movement in Belgium. It was founded in 1890, when the active movement in favour of agricultural organisation first started as a result of the efforts of Abbé Mellaerts, of Helleputte, and of Schollaert, and its purpose is threefold : 1st., to protect the moral and material interests of the peasants; 2nd., to improve agricultural legislation; 3rd., to organise agriculture in guilds or corporations. With this end in view, it encourages and groups around it the *boerengilden*, or parochial associations of peasants, which are the nuclei whence spread a number of co-operative organisations (associations for collective purchase and sale of products, rural loan societies, co-operative dairies, mutual insurance associations etc.) for improving the condition of the rural classes.

In order to carry on its manifold action, the *Boerenbond* divides up into several sections, as follows: (1) the Farm-women's League; (2) the General Federation of Horticulturists; (3) the Purchase and Sale Office; (4) the Central Credit Bank; (5) the Inspections Office; (6) the Insurance Section; (7) the Office for Consultations, Lectures etc.

The *Boerenbond* is managed by a Board of Directors and by a Superior Council. The first consists of a chairman, vice-chairman, general secretary, whose duty it is to attend to the current business of all the sections, three commissioners, and a treasurer. The second consists of the members of the Board of Directors and of delegates from the affiliated *guilds*, selected by the provinces, and consisting in all of 35 members (1).

We shall now set forth the work of this important Federation (2) as shown in its latest report.

§ 1. The associations adhering to the "Boerenbond" and its services of a general description.

1. *Affiliated Associations.* — At the close of 1913 the *Boerenbond* numbered 599 affiliated associations (3), of which 567 are agricultural guilds and 32 horticultural societies (4). At that date the number of members amounted in all to 53,689, representing as many families. The membership has increased during the past decade in the following manner :

Year	Members
1903	21,812
1905	31,586
1907	38,949
1909	43,169
1911	46,899
1913	53,689

(1) At the close of 1913 the various offices of the *Boerenbond* employed 114 persons.

(2) Although the *Boerenbond* is the typical federation of the Flemish region, having most of its scattered units in the provinces of Brabant, Antwerp, Limbourg, and in West Flanders, it carries on its work throughout the country and thus assumes the character of a National Federation.

(3) The affiliated associations pay into the federal funds an annual quota of one franc each, which entitles them to avail themselves of the services of the League and to receive its monthly organ. "*Le Paysan*".

(4) Whenever conditions permit, the horticultural societies form so many sections of the local agricultural guilds, of which they are thus an integral part. When this is not practicable, these societies retain their independence, although they continue to be admissible to the *Boerenbond*. The 32 horticultural societies above mentioned belong to this category of autonomous societies affiliated to the *Boerenbond*.

There has thus been during this period an increase of 31,877 members.

As we cannot describe in detail the work of the several affiliated associations, we shall merely remark that the services which they perform are continually increasing in importance, as is shown by the several monographs of the *Boerengilden* published in the Report above referred to. We shall give a few examples.

The *Agricultural Guild of Rethy*, working in the commune of that name, in the province of Antwerp, with 3,400 inhabitants, was founded in 1894 and now has 180 members. It possesses a section for collective purchases, which in 1913 received orders for goods amounting to 60,000 francs; its mutual association for the insurance of cattle and horses has insured 1,400 head for the approximate sum of half a million francs; it has a branch for fire and accident insurance, as well as an association of horticulturists for the scientific cultivation of vegetables.

The local correspondent of the *Boerenbond* says that it is not possible to show all the progress made by agriculture in this region in recent years, progress which has been actively promoted by the association of which we are now speaking. There is no longer a farm which is not provided with the necessary machinery (threshing machine, straw-cutting machine, cream-separator etc.) Moreover, each year new buildings are put up, such as warehouses, stables, and farm labourers' houses. The country is well cultivated, green clover meadows and rich pasture lands stretch out on all sides. The live-stock more especially contributes to the prosperity of the farmers. It is not exceptional to find a farm-woman owning a dozen cows and taking from 40 to 50 kilograms of butter to market. In 1913 a farm-woman who owned 14 cows succeeded in selling for 25 consecutive weeks over 50 kilograms of butter. At the same time the farm-people are better fed, thanks to the propaganda carried on by the itinerant schools of domestic economy, and their moral conditions have likewise improved.

The *Agricultural Guild of Bocholt*, in Limbourg, is one of the oldest societies affiliated to the *Boerenbond*, as it was founded in 1892. Besides the parish of the same name, which numbers 2,200 souls, this Commune also includes a village of 800 inhabitants. The Guild of Bocholt numbers 205 members. It has devoted special attention to the professional training of its members, organising practical courses in agriculture and horticulture. It also possesses a branch office for collective purchases, which amounted to 67,000 francs in 1913. It has likewise organised a rural bank which, since its establishment in 1898, has granted 270 loans for an amount of 291,110 francs. At the close of 1913, it had opened 99 savings accounts, representing in all 351,128 francs. This guild also has a branch for cattle insurance with 310 members who have insured 1,117 dairy cows for nearly half a million francs. Lastly, through the services of the Guild, 100 members are insured against fire for 1,600,000 francs.

The local correspondent of the *Boerenbond* expresses great satisfaction at these results. Co-operation and association, he remarks, have induced the farmers to comply with the dictates of scientific agriculture. As a result of the increased consumption of chemical fertilisers, over 400 hectares of

uncultivated land have, during the past decade, been converted into good pasture lands. Moreover, the farmers have been familiarised with agricultural machinery, especially with those implements adapted to small holdings. Many stables and farm-buildings have been improved, and the live-stock also is more numerous and of better quality. All this has led to greater prosperity amongst the rural population.

These and the very many other instances which we could quote clearly show the activity and value of the work performed by these agricultural guilds. They are to be found throughout the country and have become an integral part of its local life.

2. *The Superior Council of the Boerenbond and its General Services.* — The Superior Council, formed as above described, besides attending to its ordinary administrative duties, has busied itself at its quarterly meetings with several matters connected with agriculture, rural institutions, and social legislation. Amongst the questions dealt with in 1913, mention must be made of proposals for legislation on labourers' dwellings, social insurance, primary agricultural training, proposals now before the Belgian Parliament etc.

The free consultations office also worked actively during the year under consideration, supplying answers to several hundred enquiries. Nor was the correspondence work less intense, as is shown by the fact that no fewer than two hundred thousand letters and circulars were sent out by the several offices.

Five hundred and ninety-nine lectures were organised by the different sections of the *Boerenbond*.

A library was also placed at the service of members so as to afford instruction to the more intelligent farmers, and on December 31st., 1913, 149 names were entered in its books.

Amongst the institutions promoted by the *Boerenbond*, mention must be made of the "Chaplains' Clubs", formed amongst the spiritual directors of the rural guilds, in order that they may exchange ideas and fit themselves better and better for the mission entrusted to them. It is their duty to watch over the guilds and their sections and see that they preserve "the spirit of Christian charity". Three such clubs are in existence, one for the province of Antwerp, (founded in 1907 with 87 members) one for Brabant (82 members) and another for West Flanders. They hold one or more meetings a year.

§ 2. The central sections of the "Boerenbond".

As we have seen, the "*Boerenbond*" is subdivided into seven principal sections differing in work and aims. We shall review them rapidly, paying however special attention to the Central Credit Bank.

1. *The Farm-women's League.* — This League, the last established of the central sections of the *Boerenbond*, was founded on July 6th., 1911.

On December 31st., 1913, it centralised 117 farm-women's clubs (2 on December 31st., 1911), with 12,994 members (1) distributed in the several provinces as follows: Antwerp 37, Limbourg 28, Brabant 24, West Flanders 20, East Flanders 6, Hainault 2.

During 1913, the League gave 206 lectures on a variety of subjects, amongst others on the value of women's associations, on domestic economy, on the rearing of live-stock, on cheese-making, on hygiene etc.

Hitherto the activity of the affiliated clubs has been almost exclusively devoted to the professional training of their members, for which purpose they have organised lectures (458 in 1913), practical lessons, prize competitions, and small libraries (2).

But for some little time past the need has been felt of giving a more practical direction to these organisations by seeking to make them serve not only, as they now wisely do, for providing technical and intellectual training for the farm-women, but also for ensuring their members material advantages, such as would result from the establishment of mutual or co-operative institutions. The League is carrying on an active propaganda with this end in view, the first results of which are already visible. At the close of 1912 the Parc-Héverlé Club, with 74 members, organised a savings bank for them, which at the end of the first year had opened 36 savings accounts. The holders of the savings' books generally use their accumulated savings to meet some special expenditure, or sometimes the money is set aside for the use of another institution founded by the club for the collective purchase of fuel (coal etc.). At present the committee which directs the Parc-Héverlé Club is studying a proposal for the establishment of a friendly society among its members.

Another club, that of Moll in the province of Antwerp (49 members), established in 1911, is studying a proposal for a mutual insurance fund for old age pensions for women only.

One of the most active clubs is that of Betecom (Brabant) founded in 1908 and numbering 138 members. The local correspondent of the "*Boerenbond*" wrote of this club as follows: "There is no doubt that a farm-women's club can render valuable services to the inhabitants of a rural commune. Each of our meetings is the occasion for a lecture, prepared with scrupulous care, on the most varied questions relating to domestic economy, the training of women, the education of children etc. Moreover, business and pleasure are combined, and singing is always a feature of these gatherings. The farm-women in their anxiety to learn pay close attention to the lessons given them. It is therefore not surprising that empiricism is giving way in family life gradually to order, hygiene, and rational economy."

The club meetings generally close with a lottery at which useful objects are distributed such as packets of flower and fruit seeds, ingred-

(1) The members pay to the federal funds an annual subscription of 60 centimes.

(2) The Farm-women's Club at Nederheim in Limbourg, has a library with [illegible] books.

ients for preserves, apparatus for drying clothes, and other articles of domestic use.

2. *The General Federation of Horticulturists.* — With a view to improving market-gardening and encouraging its subsidiary industries by technical training, the study of markets, and the organisation of collective purchase and sale, the Peasants' League has promoted this Federation which forms a special section of the "*Boerenbond*". Small market-gardeners unite in local associations which, as a rule, form branches of the rural guilds, and are centralised in the General Federation. This organisation was founded on the 6th. of December, 1910, and on December 31st., 1913 it grouped together 87 associations of horticulturists with a total membership of 2,727.

During the year under consideration, 193 lectures were given for the technical training of members ; and 250 vists were paid to business houses and societies for the sale of products. The collective sale of vegetables made on behalf of the members led to 2,116 transactions for a total value of 480,128 francs.

The Federation also undertakes to purchase selected seeds: in 1913 it sold to its members 1,462 kilograms for 4,085 francs.

3. *Collective Purchase and Sale Office.* —During 1913 this Office, which is organised as a limited liability society, purchased on behalf of the affiliated agricultural guilds and of private members (*a*) chemical fertilisers kg. 36,810,460 for 2,403,838.66 francs ; (*b*) Cattle foods : kg. 42,773,527 for 7,859,031.51 francs.

The following table shows the growth during the past fifteen years of the purchasing branch of the *Boerenbond* as far as fertilisers and cattle foods are concerned.

TABLE I. — *Growth of the Purchasing Business of the "Boerenbond".*

Year	Fertilisers		Cattle Foods	
	Kg.	Fr.	Kg.	Fr.
1898	12,717,465	657,889.09	6,154,738	857,583.17
1899	13,091,785	804,506.10	6,723,615	899,389.90
1900	13,500,555	730,761.51	6,559,418	1,111,168.62
1901	16,866,983	879,449.98	8,657,241	1,465,104.98
1902	16,853,464	957,473.09	11,675,131	1,967,098.55
1903	21,179,028	1,001,300.19	16,873,417	2,625,790.33
1904	23,526,051	1,086,307.02	21,129,235	3,305,562.74
1905	25,621,752	1,237,302.98	21,265,744	3,634,559.23
1906	28,545,853	1,447,950.37	25,028,384	4,279,518.68
1907	29,533,602	1,612,257.22	30,751,583	5,404,864.85
1908	28,340,043	1,759,475.61	34,126,072	6,430,717.47
1909	28,370,089	1,732,034.21	34,224,780	6,616,931.38
1910	30,643,874	1,733,371.78	33,530,065	6,308,209.97
1911	30,042,440	1,721,775.65	36,672,392	7,193,433.10
1912	32,398,253	2,002,779.28	38,617,462	8,075,068.51
1913	36,810,460	2,403,838.66	42,773,527	7,859,031.51

(*c*) Seeds: kg. 381,689 for 126,210.98 francs, as compared with kg. 17,399 for 6,200 francs in 1899.

The "*Boerenbond*" also owns at Antwerp a warehouse which, during 1913, delivered 35,811,502 kilograms of cattle foods, and 4,675,373 kilograms of fertilisers. Nor must we forget the two branch establishments at Hasselt and Louvain, the former of which supplied during the same year 2,982,004 kilograms of cattle foods and 1,702,070 kgs. of fertilisers for a total value of 645,795.40 francs. The Louvain branch, only recently opened, from the 1st. of August to the 31st. of December, 1913, supplied 734,382 kgs. of cattle food and 266,173 kgs. of fertilisers.

(*d*) The value of the agricultural machinery and dairy apparatus delivered by the Purchasing Office during 1913 amounted to 159,795.41 francs, of which 39,756 francs for machinery and 120,039 francs for dairy appliances.

In all, the Purchase and Sale Office filled 8,581 orders in 1913; it had a cash turnover of 23,650,821.98 francs as compared with 3,010,000 francs in 1899 and did a total business of 24,682,081.96 francs as compared with 8,576,937.56 francs in 1899.

In connection with this section of the *Boerenbond* there is an office for the inspection of co-operative dairies. On December 31st., 1913, 117

dairies were affiliated to it, 110 of which had 15,355 members, treating 128,456,867 kgs. of milk. This office organises lectures and courses of technical instruction, with visits to the affiliated institutions, supplies technical advice, and has a special laboratory for analysing butter and milk.

And now, in view of its importance, we shall deal specially with another section of the *Boerenbond*, the Central Credit Bank.

§ 3. The central credit bank.

The Central Credit Bank of the *Boerenbond*, organised as a co-operative society, is a federation of local loan and savings societies of the Raiffeisen type. It is concerned not only with personal agricultural credit but also with rural land credit. This central bank receives from the local societies the funds which they cannot employ in loans to their members, and out of this capital it makes loans to those the funds of which are inadequate for their requirements. We shall briefly examine its situation at the close of 1913.

Affiliated local Societies. — On December 31st., 1913, 378 of the 762 rural loan and savings banks in Belgium were affiliated to the Central Bank. The increasing number of the federated banks as compared with the total number of loan and savings banks in the Kingdom is shown by the following table :

Table II. — *Number of Raiffeisen Banks affiliated to the Central Bank of the Boerenbond.*

Year	Number of Rural Banks in Belgium	Number of Banks Affiliated to the Central Bank
1897	159	95
1899	230	158
1901	284	183
1903	361	195
1905	431	215
1907	540	265
1909	618	297
1911	697	333
1913	762	378

The largest numbers of affiliated banks are to be found in the provinces of Brabant (160), Limbourg (69), and Antwerp (65).

Opening of Accounts. — In 1913 the Central Bank of the *Boerenbond* opened 39 accounts with affiliated loan banks for sums amounting to 746,000 francs.

Between 1897 when the Central Bank began this service and 1913, the loan banks opened 408 credit accounts for 3,953,400 francs. On December 31st., 1913 their indebtedness to the Central Bank amounted to 1,078,537.63 francs.

Capital of the Central Bank. — On the 31st. of December, 1913, the Bank possessed a reserve fund of 7,671,000 francs, in 7,671 shares. This capital increases from year to year, thanks to a rule which requires that for every 1,000 francs of credit granted to an affiliated bank the latter must subscribe a 100 francs share. The following data show the notable development of the share capital or guarantee fund of the Central Bank of the Boerenbond :

TABLE III. — *Growth of the Capital of the Central Bank.*

Year	Number of Shares Subscribed	Share Capital
1897	220	220,000
1900	826	826,000
1903	1,221	1,221,000
1906	2,211	2,211,000
1909	3,875	3,875,000
1912	6,537	6,537,000
1913	7,671	7,671,000

Turnover. — The turnover for 1913 amounted to 49,766,292 francs (as compared with 522,058 francs in 1897) or an average of over 4,000,000 francs a month.

Savings Deposits. — On December 31st., 1913 the Central Bank had in deposit : (1) 15,517,251.29 francs paid in by the affiliated banks, and (2) 593,119.88 francs paid in by private persons, or a total of over 16,000,000 francs. The following data in regard to the increase of the deposits paid into the Central Bank will be found of interest :

TABLE IV. — *Increase of the Deposits paid into the Central Bank.*

Year	Deposits of Local Banks	Private Deposits
1897	37,487.85	28,436.08
1900	293,269.86	85,622.46
1903	2,249,611.75	131,796.40
1906	5,785,479.72	274,782.34
1909	9,025,228.05	398,885.09
1912	15.130,496.90	535,291.34
1913	15,517,251.29	593,119.88

The funds thus entrusted to the Central Bank of the *Boerenbond* are invested in conformity with the decisions of its General Meeting.

Land Loans. — In 1904 the Central Bank of the *Boerenbond* opened a *Land Credit Section* for farmers. Loans are granted both by the local banks at an interest of 4 ¼ %, and by the Central Bank at a rate of 4 ½ % for loans of less than 5,000 francs and 5 % for loans exceeding 5,000 francs. The Central Bank does not, however, transact business directly except with farmers in communes which have no local banks.

The local banks procure the necessary capital for these transactions from the Central Bank, which advances it to them at 4 % interest. The Central Bank in its turn secures the requisite capital by issuing land bonds (for 100, 200, 500, and 1,000 francs, at 3.6 % interest) for an amount corresponding to the value of the mortgages which it holds.

These bonds are secured (*a*) by the capital and reserve funds of the Central Bank, which, on December 31st., 1913, amounted to about 7,000,000 francs ; (*b*) by the mortgages which the Bank itself possesses ; (*c*) by the unlimited liability of the members of the Raiffeisen banks for the loans which they make.

As in the case of other credits, the local banks must subscribe a hundred francs share for each thousand francs thus lent by the Central Bank.

The loans may not exceed $^2/_3$ rds. of the value of the land on which they are made, and they are granted for terms varying from 1 to 29 years ; they are repayable in half yearly or yearly instalments, though the loan may be paid off at an earlier date.

In 1913 the Central Bank made, through the agency of the local banks, 71 loans for 386,250 francs, and it arranged directly 40 such loans amounting to 290,000 francs, thus providing in all 111 loans for an amount of 676,250 francs. The largest sums were distributed in the provinces of Antwerp (208,700 francs) and Limbourg (184,750 francs).

Since its foundation, the land credit section of the *Boerenbond* has made the following mutual loans :

TABLE. V. — *Increase in Land Credit Operations.*

Year	Through Local Banks		Direct Loans	
	Number	Value	Number	Value
1904	21	71,600	15	77,800
1905	62	394,100	26	68,440
1906	37	149,500	48	226,840
1907	36	265,600	41	160,550
1908	45	205,000	38	204,520
1999	54	300,150	26	120,500
1910	96	351,695	40	207,550
1911	94	434,850	36	162,975
1912	134	689,000	48	401,200
1913	71	386,250	40	290,000
Total	650	3,247,745	358	1,920,375

The loans are classified as follows according to their value :

		Loans made through Local Banks	Direct Loans
From	1 franc to 1,000 francs	103	48
»	1,001 » » 2,000 »	178	82
»	2,001 » » 3,000 »	126	71
»	3,001 » » 4,000 »	83	34
»	4,001 » » 5,000 »	33	31
»	5,001 » » 10,000 »	64	43
»	10,001 » » 20,000 »	40	36
»	20,001 » » 30,000 »	13	6
	above 30,000 »	10	7
	Total	650	358

Most of these loans were made for the purchase and erection of buildings and for the purchase of land.

In accordance with an arrangement recently made between the Central Bank of the *Boerenbond* and the French Life Insurance Company, "*L'Urbaine*", the borrower is enabled to take out, simultaneously with his loan, a life insurance policy. On the payment of a year's premium the Life Insurance Company guarantees payment of any annuties still due on the loan should the borrower die, thus freeing his heirs from a burden which is often heavy.

Transactions of the local affiliated loan banks. — The following data referring to December 31st., 1912, are available in regard to the transactions of the loan banks affiliated to the Central Bank of the *Boerenbond.*

(1) Number of Affiliated Banks on December 31st., 1912	363
(2) Number of Members	27,132
(3) Value of Shares Paid up by Members on December 31st., 1912	80,896.00
(4) Savings Deposits:	
(*a*) Received in 1912	12,187,852.91
(*b*) Refunded in 1912	9,129,086.82
(*c*) Received from Date of Foundation (1897) up to December 31st., 1912	84,618,588.55
(*d*) Existing on December 31st., 1912	30,125,185.67
(5) Loans:	
(*a*) Made in 1912, Number 3,588 for francs	6,159,184.98
(*b*) Refunded in 1912	3,638,710.66
(*c*) Made since 1897 up to December 31st., 1912, Number 36,458, for francs	38,319,869.15

(*d*) Security of Loans made from Date of Establishment :

Loans Secured by Sureties.	33,577	
» » » Preference Mortgage . .	667	
» » on Pledge	292	
» » on Life Insurance.	30	
» » on Mortgage of Land . . .	1,892	
	36,458	

(*e*) Object of Loans :

Purchase of Feeds for Cattle, Fertilisers etc.	5,155
» » Cows, Horses, Pigs	11,970
» » Agricultural Machinery . . .	714
» » Land	3,114
» » Houses	2,825
Building or Repair of Houses, Stables, Warehouses etc.	3,338
Repayment of Debts.	3,549
To Pay off Co-heirs	689
To Start in Business	2,296
Various	2,808
	36,458

(*f*) Value of Loans on December 31st., 1912 . . 15,678,720.70

(6) Reserve fund :

Special Reserve Fund on December 31st., 1912	34,544.59
Ordinary Reserve Fund.	449,055,15
Emergency Fund	265,434.88

If we compare these data with those for previous years, which we omit here for the sake of brevity, they show a constant increase in the business transacted by the affiliated banks.

§ 4. Office for the inspection of the societies affiliated to the " boerenbond ".

This Office, which was originally annexed to the Central Credit Bank, now forms an independent section of the *Boerenbond*. It exercises supervision over the Raiffeisen banks affiliated to the Central Bank, over the farmwomen's clubs, and over the rural guilds and purchasing sections which request its services. All the institutions subject to its supervision are visited at least once a year by an inspector who examines the management and the books.

In 1913 the inspectors of the *Boerenbond* paid 454 visits to the rural banks, 381 being ordinary visits for the annual auditing of the books, and 73 special visits for the purpose of giving preliminary instructions to the

managers of new rural banks, affording legal assistance to banks in liquidation etc. Besides this, the Office arranged for 50 lectures on agricultural credit.

During the same year, 160 agricultural guilds and purchase sections were inspected and 61 lectures delivered to them on technical questions. The Inspection Office aims more especially at perfecting the organisation and working of these societies, supplying them with good bye-laws, and watching over their strict observance.

Inspectors also paid 88 visits to the farm-women's clubs in 1913, with a view to ensuring simplicity and order in their management.

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As already stated, the *Boerenbond* also has a branch for insurance against fire, hail, loss of live-stock, and for life-insurance. We deal with the work of this important branch in the section of the Bulletin devoted to insurance.

FRANCE.

THE CO-OPERATIVE DAIRIES OF THE CHARENTES AND POITOU.

SOURCES :

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LORETTE (G.) ; Les laiteries coopératives (Tract N°. 79 de «l'Action Populaire »). Reims (s. d). Co-operative Dairies (*Tract N° 79 of " Popular Action ", Rheims, No Date.*

ROZERAY (A) : Etude sur les beurreries coopératives et l'industrie laitière dans le département des Deux-Sèvres, Niort, 1900 (*Account of the Co-operative Butter Factories of the Department of Deux-Sèvres, Niort,* 1900).

TATON (GEORGES) : La coopération dans l'industrie beurrière en France et à l'étranger. Paris, Larose, 1908 (*Co-operation in the Butter Industry in France and Abroad. Paris, Larose,* 1908).

TIEFAINE (P) : Les laiteries coopératives en France. Lille, Camille Robbe, 1900 (*Co-operative Dairies in France. Lille, Camille Robbe,* 1900).

RIGAUX : Les laiteries coopératives en France ; organisation, fonctionnement et résultats (*Publications de la Société des Agriculteurs de France*). Paris, Morillot, 1895 (*Co-operative Dairies in France, their Organisation, Working and Results* (*Publications of the Society of Agriculturists of France*) ; *Paris, Morillot,* 1895.

L'INDUSTRIE DU BEURRE, journal hebdomadaire, organe officiel de l'Association centrale des Laiteries coopératives des Charentes et du Poitou (" *The Butter Industry* ", *Weekly Official Organ of the Central Association of the Co-operative Dairies of the Charentes and of Poitou*).

§ 1. ORIGIN AND DEVELOPMENT OF THE CO-OPERATIVE MOVEMENT.

A portion of the departments of Charente and Charente-Inférieure and the southern part of that of Deux-Sèvres, comprised under the name of Saintonge, was formerly rich as a vine-growing country.

But when the phylloxera appeared, its prosperity rapidly vanished ; in 1880 hundreds of hectares had already succumbed to the ravages of the plague, and in 1885 took place the last vintage in the southern part of Deux-Sèvres.

The wine growers were ruined, they had lived from day to day without thought for the morrow and a great part of their land lay fallow. The more industrious, having rooted up the now useless vines, tried to grow some corn, and above all to sow their ground with lucern, sainfoin and clover. These meadows produced good crops, thus enabling their owners to keep some dairy cows.

This was new work for them, and the making of butter was almost unknown. Just at this time butter-making by machinery had been introduced, for it was in 1878 that the first centrifugal separator appeared in France.

Industrial dairies prospered rapidly, for they had absolute command of the situation; they bought, at a ridiculously low price, milk which for the want of markets the farmers could not utilise. The profits however of the new industry did not compensate for the loss of the vineyards.

In 1884, the law concerning professional syndicates was passed by Parliament. There were difficulties to overcome in its elaboration, there was much discussion, and the services which it would render to agriculture were dwelt on insistently. In 1888 at Chaillé the first co-operative dairy was founded. Its methods were of the most rudimentary character, and not always in accordance with the latest scientific discoveries. Notwithstanding, its success was rapid; in the first year it made use of 589,600 litres of milk.

Its example was followed in all the southern part of the department of Deux-Sèvres, in La Vendée and even more in Charente-Inférieure. Since 1895 there have been 70 associations, using 91,021,000 litres of milk, making 5,239,900 kilogrammes of butter for about the value of 12,250,000 francs.

Unfortunately these new societies were content to imitate the first established without improvement in the buildings, nor yet in the plant, nor in the code of rules. At length there were signs that the industry might come to an end; in the department of Charente, the people began to replant the vineyards giving up all effort to increase the dairy industry. In the north, where the rural population was composed chiefly of farmers, every attempt failed on account of the hostility of the landlords who preferred to compel their tenants to send their milk to an ordinary commercial butter factory rather than permit them to form co-operative societies.

Such was the state of affairs when in 1897, the Department of Agriculture commissioned M. Martin, director of the dairy industry of Mamirolle, to visit the district. His lectures and advice, eagerly listened to, induced the farmers to resume the work and at the same time to correct the errors of the earlier establishments. In the whole region new life arose, and in 1898 there were 88 societies taking in 144,470,000 litres of milk, and making 6,828,000 kilogrammes of butter. About this time, the dairies of La Crèche, Echiré and Surgères were definitely established, and these may be looked on as models.

In the same year, M. Dornic arrived at Surgères, and under him the co-operative dairies almost attained perfection from a technical point of view. In this village there was established a dairy with a laboratory in which the best means for the treatment of milk were studied, and a cattle-shed in which experiments in feeding were made. All the dairies of the district, when in any difficulty, turned to the dairy of Surgères for advice. Little by little, M. Dornic educated the whole population of the region and, as a proof of this statement, here at the present time where economy prevails to the last de-

gree, the Administrative Council of a dairy does not hesitate to risk spending from 10,000 to 15,000 francs, when it knows that such an outlay will be compensated for by improvement, both in quantity and quality of produce.

But in one respect perfection had not been attained ; a commercial organisation was still wanting to procure at the lowest price the necessary utensils and appliances and ensure good sales. The various co-operative societies soon came to recognize this necessity, so that in 1893 the Central Association of Co-operative Dairies of the Charentes and Poitou was founded, and this association soon included nearly all the dairies of the district.

It began its work humbly by buying charcoal and calico (for wrapping butter) for the associated societies. But by degrees, owing to the efforts of its president, M. Rouvier, it became more ambitious. In 1897 it appointed an inspecting committee ; in 1903 it founded a professional dairy-school at Surgères, of which it undertook the management, assisted by the Government. It directly helped the butter industry by furnishing the co-operative dairies with competent workmen and by bringing refrigerating machinery into common use.

But it is in the output of its produce that the association has been chiefly useful. Since 1897 it has had a service of refrigerator trucks for the conveyance of butter to Paris. It also exercises a considerable influence on carrying companies and sale agencies. It makes itself acquainted with the produce of syndicates and takes part in competitions and exhibitions in France and elsewhere.

§ 2. Organisation of a co-operative dairy.

According to M. A. Rozeray, to whose experience the co-operative dairies of Deux-Sèvres are much indebted, a good dairy requires ;

(1) An abundance of excellent water ;

(2) A slope sufficient to ensure that the water used for washing be completely and rapidly carried off ;

(3) That the dairy should be so situated that within the smallest possible radius it can be supplied with 5,000 litres of milk per day.

Those companies that have not taken these three conditions into account find themselves in a position of inferiority.

Without an abundance of water in summer it is impossible to carry on the various processes necessitated by the progress of the milk industry: the use of the ice-machine, the pasteurization of whey etc., without good water would be impossible.

A deficiency of good drainage would cause pestilential odours very injurious to the dairy produce.

With a too extensive radius it is difficult, especially in summer, to collect supplies of milk from which choice butter can be obtained. Lastly,

it has been ascertained that the cost of labour and plant for 5,000 litres of milk will not be higher than that required for 2,000 litres.

The expense is therefore much less in proportion for 5,000 litres than for 1,500 litres. It may be added that many associations have neglected to profit by old water-mills, long unused, from which they might have derived a part of their motor force at small cost.

M. Rozeray considers that proximity to a railway station, often regarded as most important, is less so than those conditions above-mentioned. In fact, butter is much less in volume than the milk required to produce it, and is easily conveyed to the nearest railway station.

To establish a co-operative dairy, the founders, numbering from 60 to 300, meet together and advance the whole or part of the capital, generally at the rate of from 3 to 4 per cent ; the shares are worth from 100 to 400 francs each, and are paid off every five years.

The sum required for the purchase of land and the erection of buildings and for plant, varies from 25,000 to 70,000 francs, according to the size of the factory.

The work has always been done on a small scale; the founders, either fearing to undertake too heavy a charge or not foreseeing the future importance of the dairy, have erected buildings which are too small, and procured plant which has had to be completed or replaced even before it is worn out.

In provisional meetings the rules are discussed and accepted. In an appendix will be found the model rules drawn up by M. Rozeray with articles borrowed from those of Sainte-Ouenne, Echiré, Irleau and Surgères.

Members admitted after the constitution of the society pay an entrance fee per cow in proportion to the assets of the society.

The sums required to pay off the debts of the society are raised by deducting a centime or half a centime per litre of milk sold.

§ 3. Working of a co-operative dairy.

Every co-operative society is under the management of a Board of Management, consisting of a president, one or two vice-presidents, a treasurer, one or two secretaries, and delegates appointed from villages, in the proportion of one for every ten or twenty or fraction of twenty members.

The paid employees are the book-keeper, the manager of the butter-making and, in a large society, his assistant, the superintendent, the mechanician, and the collectors of milk. Some societies give their employees, besides their salaries, a percentage on the sales.

The accounts are kept by single entry, and the books used are those required by this method ; day-book, ledger, cash books and inventory. There is besides a book in which are entered the monthly contributions of each member, the price per litre of milk, the sums raised and the amounts

deduced for paying off the loan contracted for the establishment of the dairy.

The milk collectors enter every day in a memorandum-book the quantity of milk received, and from this the book-keeper draws up a fortnightly or monthly statement.

Each member has a memorandum-book which is, so to speak, the duplicate of that in which the milk collectors enter the number of litres received with the dates. On the first pages of these books regulations in regard to milking and the preservation and delivery of the milk are to be found.

Each dairy has a register with vouchers for the retail trade.

We here give as a specimen, a page of the memorandum-book in use in the dairies of Sainte-Ouenne and of Mazières :

(1) — *Sainte-Ouenne.*

1st. Fortnight		Number of Cows	2nd. Fortnight		Number of Cows
Dates	Milk	giving Milk	Dates	Milk	giving Milk
	litres ½			litres ½	
1			16		
2			17		
. . . . .			. . . . .		
15			31		

1st. Fortnight .

2nd. Fortnight.

Total . . .

at _____ *per litre*

_____

_____

_____

_____ *Due*

(2) — *Mazières.*

1st. Ten Days			Recapitulation
Dates	Quantity Supplied	Number of Cows	
			1st. Ten Days
			2nd. Ten Days
			3rd. Ten Days
1			
2			
3			Total for the Month
4			at per litre
5			
6			Sum due
7			In payment of the sum due
8			for the above supplies
9			
10			*Mazières,* 191

Members are paid monthly for the milk supplied by them. A few societies pay every fortnight. In practice payments are often made by the collector at the houses of those who supply him, according to a memorandum made by the book-keeper.

The price of a litre of milk is fixed by deducting the total cost from the total amount of the sales, and should the result be, for instance, 0 fr. 125; the fractions of centimes are devoted to the payment of the debt on the factory.

The buildings are constructed with simplicity and economy, generally looking towards the north or the east to ensure an even temperature, lower in summer. They are often on the side of a hill, so that the milk brought in cans may be at once poured into a gauged receptacle, whence it falls into a great basin that feeds the separators. This choice of a site has also the advantage of facilitating the outflow of the refuse water.

The plan of the building varies but little. There is 1st. a room for the motor; 2nd. a room for the separator, the churns, and the manipulation; here the butter is made into rolls; 3rd. a packing room; 4th. one or more cellars for the cream, easily ventilated and containing reservoirs or troughs of cement for water tepid in winter and iced in summer. If there is no room for meetings, they are held in the office, which in this case must be large.

Many societies have no more than a hot room for the machinery, a large room where the milk is kept, a cellar or cold room, and an office.

One or two of the employees lodge on the premises. There must be a stable for the horses of the milk collector.

The plant varies little. The motor force is supplied by steam engines of from 8 to 15 horse power but having a generator powerful enough to produce the steam required for cleaning the utensils and warming the place in winter. Some dairies also for part of the year utilise their water power, thus diminishing the cost of the steam engine which by means of a hydraulic wheel can work at less pressure.

The milkmen, or collectors, are paid by the year or by the litre ; or they have fixed salaries, and one centime per litre above a certain quantity. This post is contracted for at so much per year, per day or per litre. Long rounds are of course best paid. The horse or mule and the cart or other vehicle, in most societies, belong to the collector.

When the collectors have given up the milk they have brought, they proceed to clean their cans, which are first washed in hot water, then steamed and then rinsed in cold water. In practice, this work is done rapidly by means of a simple steriliser provided with a kind of chamber into which the pipes conveying steam and cold water are opened by means of a lever.

After this cleaning, by which fermentation is prevented, the cans are filled with whey to be sold the same evening to the various producers by the collectors, who must again wash the cans, on their return, in boiling water with crystals of soda, rinsing them in cold water before filling them with unskimmed milk.

The superintendent is paid by the month, receiving a bonus besides for every case of fraud he discovers. We may add that these cases are rare, because of the mutual control exercised by the members over one another. Members guilty of fraud are expelled without mercy from the societies and condemned by the Bureau and the General Meeting to fines fixed in the rules and usually in proportion to the number of cows possessed by the member. This is generally amicably arranged and few cases of fraud are brought before courts of law. Everything is done with the greatest prudence, and the taking of a sample of milk from the cattle-shed of the accused ensures against any mistake.

The separating is done every morning from seven o' clock till noon according to the dairy and the season. In winter the milk is first raised to a temperature of from 24 to 28 degrees by means of a heating apparatus in order to facilitate the separation of the globules of butter. In certain co-operative societies, for instance that of St. Christophe-sur-Roc, the milk, when taken out of the separator, is pasteurised, that is, raised by means of a heating apparatus or pasteuriser, to a temperature of 70 degrees, and then brought into contact with a current of water which lowers it to 14 degrees. It is then returned to the members without any mixture of buttermilk, in the proportion of $^{9}/_{10}$ ths. of the quantity supplied. But if it is returned to them on being taken from the separator they receive the full quantity supplied. The water in which the butter has been washed, often put away in another receptacle, is proportioned to the whey obtained, and supplies the deficiency resulting from the work and from the separation of the cream.

In many dairies where there are cream refrigerators, the cream on being taken out of the separator is raised without being disturbed, by a special

apparatus called a cream-raiser and poured into the refrigerator whence it falls through a pipe into a cellar and is there received in vessels containing on an average 40 or 50 litres — sometimes these cream vessels are arranged in tiers and the filling goes on without supervision — or the cooled cream passes into a special chamber where the temperature is so regulated as to obtain a uniform ripeness in 24 hours.

Thus in summer the cream receptacles are plunged into iced water, but in winter the temperature of the place is generally raised by means of pipes through which passes a current of steam. In a word, the ripening is so regulated as to produce in summer, at the time of churning, cream of from 55 to 60 degrees of acidity, raised in winter to 65 degrees; such ripening produces the best results as regards the quality of the butter.

In general 100 litres of milk produce 11 or 12 litres of cream; in summer 9 and 10%; in winter when the milk is rich the percentage rises sometimes to 13 %.

The day after separation, from seven to eleven o' clock in the morning the cream is churned for 30 or 40 minutes, then the butter is received in a trough and subjected to the butter worker. For the manipulation a wooden spatula is used.

The butter is made into rolls each weighing ten kilogrammes, wrapped in calico, and placed in an osier basket or between laths within which is a packing of straw and paper. The baskets are kept in a special place in winter, and in a cellar or cold chamber in summer. Every day by the trains between 3 and 8 p. m. the butter is forwarded to Paris. Some dairies keep back a quarter of their produce in order to send on market days — Wednesdays and Saturdays — a larger quantity to the central markets of Paris.

The packing costs on an average 0 fr. 35 per roll, thus :

	fr.
Basket	0.18
Straw	0.03
Paper	0.03
Calico	0.11
Total . . .	0.35

Certain dairies send butter by parcel post packed in special baskets of better quality. The dairy of Surgères, for example, procures them from Perigueux; they cost from 18 to 28 centimes according to size.

For some tradesmen butter is prepared in rolls weighing 500 or 250 grammes each.

The dairies generally sell butter by retail at the same rate as that of the central markets of Paris the previous week, that is the price is fixed for a week, after deducting the cost, about 40 centimes per kilogramme.

The cost of carriage and sale at the Central Markets of Paris is in fact 40 francs per 100 kilogrammes. This includes carriage, carting, octroi, storage, unloading, sale and commission. The butter is placed in refrigerator-trucks, with double partitions separated by layers of cork; in each is an iced receptacle and pipes to carry off the water outside: an employee receives the baskets at each station as they come from the dairies, and arranges them on shelves. He must remain in the train from the point of departure to the station nearest to the last society belonging to the Central Association, and there he closes the double doors and seals the truck.

We have said that the separated milk is returned to the members by most dairies. But there are some dairies in the south of the department of Deux-Sèvres which keep pigs to consume their by-products. The pigsties are very simple, being divided into boxes 10 metres square each of which may contain 10 to 15 animals, according to their size. From a passage in the middle the milk is distributed by means of a receptacle on wheels provided with an india-rubber tube.

As a rule all the animals are kept in one or two sties, to simplify the labour of taking charge of them; there would also be danger of epidemics unless special precautions ware taken. The boxes enclosed by a partition about one metre in height communicate with an outer yard where the pigs may take the air. The whole building is well ventilated, and frequently sprinkled with antiseptics.

Pigs three or four months old are obtained from dealers and as soon as they arrive they are vaccinated against measles. Their diet is from 10 to 15 litres of milk per day; sometimes farinaceous substances and linseed oil are added. When from three to six months have passed they are sold to dealers or sent to Paris. One man can take care of the 250 or 350 animals in one sty; he is lodged and paid 80 or 90 francs a month.

Some attempts at making cheese of poor quality were made in the dairies of the south of Deux-Sèvres but they were soon abandoned. In milk completely devoid of fatty substances it was necessary to introduce something fatty so that the cheese might not be too dry, linseed or cotton seed oil, etc. This might be done by means of the separator, but no butter factory would permit the use of anything which could give rise to a suspicion of its being mixed with the butter.

§ 4. Results obtained.

That we may have a full acquaintance with the results of the Co-operative societies of the Charentes and of Poitou we shall compare, (following the example of M. Pierre Dornic) the work done in 1913 with that done in 1914.

Between the first and the second of these years the number of associated dairies rose from 129 to 130, and that of their members from 77,765 to 80,188, an increase of 2,423.

The number of cows increased by 8,941, that is from 205,557 to 214,498, which gives 2.67 cows per member, instead of 2.64 in 1912 and 2.62 in 1911.

So it is evident that each member is a small farmer.

In 1913 the dairies treated 342,044,089 litres of milk, an advance of 10,000,000 litres on the quantity treated in 1912, which in its turn was 32,000,000 litres above the quantity treated in 1911.

But this increase was not general. For an increase of 4,500,000 in Charente-Inférieure and nearly 3,000,000 in Deux-Sèvres there was a diminution of 1,000,000 litres in La Vendée compensated for in Indre-et-Loire by an increase of 1,000,000 litres.

In Deux-Sèvres there are 26,044 members, and 70,192 cows, which produced 110,700,392 litres, i. e., a yearly produce of 1,577 litres per head.

In Charente-Inférieure with 23,545 members there are 59,918 cows producing 105,715,599 litres, that is 2.58 cows for each member, and 1,764 litres per cow. The last two departments yield about two-thirds of the total dairy produce.

La Vendée is much behind, having only 15 co-operative societies, 11,546 members and 30,599 cows. The total number of litres produced is 50,309,329, with an average of 2.64 cows per member, and an annual production of 1,644 litres per cow.

Charente-Inférieure and Deux-Sèvres contain respectively 49 and 43 co-operative societies, and, as the production is the greater in the last named department, it may be concluded that its dairies are of the greater importance. There is a marked disproportion in the number of cows and the annual produce of each, Charente-Inférieure having the advantage in these respects.

It is seen besides that in 1913 the produce per cow was above that in 1912 in Deux-Sèvres (1,577 litres instead of 1,546) but in Charente-Inférieure the figures for 1912 were 1,805 against 1,764 in 1913. This diminution may be attributed to the rather mediocre quality of the feeding.

In considering the dairies separately it will be seen that the smallest has only 106 members, while the largest has 1,300. and the numbers of cows are respectively 228 and 6,000.

In Charente-Inférieure the extremes are represented by 131 members with 285 cows, and 1,200 members with 3,300 cows. There is therefore an average of 2.17 cows for the smaller association, and of 2.75 cows for the larger so that the general average is 2.58 cows per member. The extreme figures in the case of the 49 dairies of the department are 1.2 (St-Hilaire de Villefranche) and 4.33 (St. Laurent-de-la Prée). In these dairies the annual product per cow was 1,618 litres in the first instance, and 1,832 litres in the second.

The comparison of the annual milk products is interesting. The average for the whole department is 1.764 litres. but it falls to 1,021, and to

1,054, in a considerable number of dairies in Saintonge, and goes up to 2,700 litres at Saint Jean de Liversoy, 2,493 at Surgères, 2,475 at Vérines and 2,379 at Cram-Chaban, etc.

Aunis is incontestably much in advance of Saintonge.

The milk production of the Deux-Sèvres has a peculiarity; for, though in quantity inferior to that of Aunis, it is much superior in richness of fatty substances. In this department, the 43 syndicated dairies show many differences; the smallest has only 40 members with 200 cows, the largest 1,580 members with 4,500 cows; the average being 600 members and 1,630 cows to each dairy.

The dairy of Chef Boutonne has 1.6 cows per member (1,000 cows for 640 members) while that of Palluau has 5 and that of Moncoutant 4.9 (153 members, 743 cows).

In these three dairies the annual produce per cow was respectively 1,366 litres, 1,402 litres and 899 litres, the general average being thus 1,577 litres.

The department of La Vendée has no more than 15 co-operative dairies with an average of 746 members; the smallest has 120 members with 290 cows while that of Saint Michel-en-l'Herm has 2,249 with 4,850 cows, giving an average of 2.16 cows to each member.

In this department each member possesses an average of 2.64 cows, the minimum being 2.16 (Saint Michel-en-l'Herm) and the maximum 3.83 (Sainte Radégonde-des-Noyers).

The annual quantity of milk is 2,405 litres at Damvix, going down to 1,335 litres (Sainte Hermine) and 1,378 (Oulmes). The general average, 1,644 litres is much below that of 1912, intermediate between that of Charente-Inférieure (1,764 litres) and that of Deux Sèvres (1,577 litres). The most important dairy in La Vendée (Mareuil) had received in the year 8,167,954 litres, and the smallest (Oulmes) only 399,909 litres, giving a daily average (Sundays excepted) of27,000 litres for the first and of 1,330 for the second.

The department of Vienne has made rapid progress in dairying. Nine societies have already joined the Central Association, and one of these, at Dangé, is the most important of the Association, for it received 9,779,700 litres of milk in 1913. The smallest dairy has only 700 cows for 390 members; it was but lately established, so may develop in time. The total number of cows varies from 700 to 6,500, and the average per member from 1.11 to 5.00. The average annual quantity of milk varies between 904 and 995 litres (Roc-Saint-Louis and Archigny) and 1,692 litres (Agramont). This poor supply is accounted for by the fact that the farmers have only lately begun co-operation and the production of food-stuffs as well as of milk is not yet well regulated.

Indre-et-Loire merits special mention on account of the rapidity with which it devoted itself to dairy industry, and afterwards to the co-operative form. There are many co-operative societies here and all prospering, though their geographical position prevents many of them entering the Central Association. From the reports however of those that have joined we may have an idea of the condition of all. The smallest has 545 members with 2,641 cows, which gives an average of 4.84 cows to each member and a total

milk production of 4,460,413 litres, giving an average of 1,688 litres per cow. The dairy with the fewest cows (Bléré) produces 3,008,787 litres; it has 1,800 cows and 910 members, giving an average of 1.97 cows to each member. The co-operative dairy of Ligueil is the largest. In 1913 it received 9,109,795 litres of milk, an average of 1,622 litres per cow. At Órbigny, the quantity of milk received was only 1,082 litres, so that 1,573 litres was the general average of the milk received by the five dairies belonging to the Association.

Charente also has five co-operative dairies with from 645 to 1,600 members, and cows ranging in number from 3,600 (Baignes-Sainte-Radégonde) to 1,450 (Basleville-sur-Aigre). Thus the average of cows per member varies in this department from 1.75 (Sainte-Sévère) to 2.77 (Le Souterrain). We see that the milk supply is meagre, the dairy industry, and more especially that of the co-operative dairies, has not yet taken its due place. At Villefagnan the annual quantity of milk is only 997 litres per cow. At Sainte Sévère the quantity is 1,194 litres, and at Baignes, where the dairy was established more than 20 years ago, it is 1,539 litres. The smallest of the co-operative dairies took in 1,384,526 litres and the largest (Baignes) 5,538,063 litres. The yield of butter is rather satisfactory: 20.82 litres to the kg. at Sainte Sévère and 23.58 litres at Basleville with a general average of 21.61 litres.

In Indre-et-Loire the figures come closer together, the minimum being 21.38 litres (Bléré), the maximum 22.52 (Orbigny) and the general average 22.10 litres.

In Vienne the difference is more marked. The best yield is from the " Laiterie de la Mélusine " with 19.51 litres for a total milk production of 3,117,976 litres from 2,398 cows, being an annual production of 1,301 litres per cow. Civray comes next with 20.50 litres, followed closely by Gençay with 20.82 litres. The least satisfactory return is 20.68 and the average is 21.72, a figure nearly the same as that for 1912 which was 21.74.

In La Vendée the averages are: 21.26 for all the dairies, 20.69 for the best (Le Mazeau), 21.78 for the least prosperous (Maillezais). This is a difference of 1 litre for 15 dairies.

In Charente-Inférieure, the dairies showing returns less than 21 litres are: Montils-Colombiers, 20.09 litres; Pérignac 20.73; Nieuil-Saint-Georges 20,77; Belluire and La Ronde 20.98. Only one shows more than 24 litres (24.22) and its annual quantity is 2,343 litres per cow. Many show more than 23 litres, and the general average was 22.41 litres against 22.53 in 1912.

The dairies of Deux-Sèvres show a general average of 20.47 litres against 20.75 in 1912. The minimum is given by Soignon, 18.09; next come Saivres-Castarie (18.48) and Saint-Christophe-sur Roc (18.55). The least satisfactory return of all — 23.23 is from a dairy in the north of the department — the only one showing more than 23 litres. Of 43 dairies, the return from seven was from 22 to 23 litres, that from 12 from 21 to 22 litres, that from 10 between 20 and 21 litres, from 8 between 19 and 20; and finally that from 5 between 18 and 19 litres.

The 342,044,089 litres of milk, the total taken in by the united dairies of the Central Association, produced 15,917, 165 kilogrammes of butter, i.e.

74 kg. per cow, or 21.48 litres to each kilogramme. This return is a little better than in 1912 (21.63) but the annual production of butter per cow is still insufficient.

In Deux-Sèvres, only one dairy surpasses the average of 100 kgs. per cow that of Magné, which showed 117 kgs. Next came Taizé with 100 kgs.; Saivre-Castarie and Prin-Deyrançon, each with 94 kgs. In the worst instance, we find 45 kgs. of butter per cow in the year.

In Charente-Inférieure, Saint-Jean-de Liversay showed 127 kgs.; Vérines 110 kgs.; Cram-Chaban 109; Sainte-Soulle and Bois-Hardy 107; Clavette 103 kgs.; La Ronde 102; Surgères 101. But in this department the numbers also go down very low even to 37, 46, 47 and 50 kgs. in dairies it is true, of small importance.

In La Vendée, only one dairy, that of Damvix, shows more than 100 kgs.; Le Langon shows 99 kgs. and Mazeau 95. But for one of the most important societies of this department we find only 62 kgs., and three others report no more than 70 kgs. annually per cow.

In Charente the best dairy reports 72 kgs. and 40 is the lowest reported.

In Vienne, Gençay leads with 81 kgs. while the lowest figure is scarcely 39 kgs.; another dairy shows only 41 kgs. The dairies of Indre-et-Loire are better; though one reports only 50 kgs., four report 72 to 79 kgs.

M. Dornic attributes the poor return in the first case to the fact of many of the farmers still feeding their cattle on oil-cake neglecting the selection of food recommended at butter competitions.

The total quantity of butter in 1913 was 15,917,165 kgs.; of this one third was made in Deux-Sèvres (5,402,800 kgs.) rather less in Charente-Inférieure (4,716,731 kgs.); in La Vendée only 2,366,115 kgs. and the rest in the other departments.

By examination of the net amount of sales we find that the highest prices in Deux-Sèvres per 100 kgs. were — Sainte-Castarie 330 frs. and the same at La Crèche; — Vouillé 328 frs., Echiré 325 frs., Saint Varent the same. The lowest were 277 frs., 282 frs. and 286 frs., the average is 304 frs.

In Charente-Inférieure the highest prices were obtained at Saint-Hilaire, 320 frs.; Matha, 313 frs., Surgères, 305 frs.; the lowest were 274 frs. and 282 frs, and the general average 292 frs. which is 12 frs. less than that of Deux-Sèvres, but higher by 1 franc than the average for 1912 for the same department.

In La Vendée the average price is 291 frs., which is 5 frs. higher than that of 1912; but among the dairies the price varies from 298 frs. (Sainte-Hermine) to 271 frs. and 275 frs.

In Vienne there is but little difference in the prices, except that one or two are respectively 289 frs. and 296 frs. The others vary from 300 frs. to 310 (Gençay) and 311 (Chauvigny).

In Charente the prices were from 292 to 300 frs. except in one instance of 277 frs.

In Indre-et-Loire the average price was 299 frs., being an advance of

2 frs. on that of 1912. At Reignac and Bléré the prices were respectively 307 and 306 frs. The lowest was 290 frs.

For the average of the total production we find 297 frs., one franc less than that of 1912. The highest price was obtained in Deux-Sèvres (304 frs.) and the lowest (289 frs.) in the departments of Loire-Inférieure, Maine-et-Loire and Indre.

The total net sum realised by the sale of butter was 47,300,445 frs. If we add to this the value of the skimmed milk, at 2.50 frs. per hectolitre, there would be paid for 3,420,440 hectolitres the sum of 8,551,100 frs., therefore the total receipts were 55,851,545 frs. This is an income of 260 frs. per cow, not counting the value of her calf, and a gross price of 16.32 frs. per hectolitre of milk.

The general expenses may be calculated at 5,930,158 frs., making the price 1.70 fr. per hectolitre, representing 10.62 % of the receipts.

In every department there are great differences, and these are not less than those we find in comparing one department with another. In Charente-Inférieure the general expenses per litre are 1.4 centimes, in Deux-Sèvres 1.6 c., in La Vendée 1.7 c., in Charente and Vienne 2.3 c., in Indre-et-Loire 2.4 c. and in the other departments 2.6 c. The lowest figure is 0.6 c. per litre at Chaillé and St-Martin de la Coudre (Charente-Inférieure) and at Saint-Hilaire-la-Palud (Deux-Sèvres). The highest figure is shown by a dairy of Vienne, it is 11 times higher than the preceding figure and is 6.6 c. per litre. Thus in the prices of milk, there is a difference of 6 centimes per litre, due to the expense of collection and labour.

Even in a single department, there are many differences.

Charente-Inférieure possesses dairies in which the general expenses amount to 2 or 3 centimes per litre, in one to 3.4 centimes, and in another to 2.6. In 49 dairies 6 pay 2 centimes and in 7 the expenses are less than 1 centime per litre.

So, also, in 43 dairies of Deux-Sèvres 6 do not pay 1 centime per litre, yet there is another which pays 4 centimes and another even 3. and 5 and 7 pay 2 and 3 centimes respectively.

La Vendée has only one dairy in which the working expenses rise above 3 centimes (3.3); in another they are only 2 centimes. In one alone (Maillezais) they do not reach even a centime (0.98) and the general expenses are 6.31 % of the receipts.

In Charente, in one dairy (Sainte Sevère), the figure falls to 1.5 c., and is nearly as low in Le Souterrain (1.6) but the other three societies pay 2.3, 2.4 and 2.9 centimes per litre.

In Vienne, the dairy of Dangé leads with 1.3 per litre. All the others show above 2 and 4 (out of 9) even 3 centimes per litre. In Indre-et-Loire the differences are even greater; one society (Ligueil) paying 2.1 per litre, while 4 others pay 2.4 and 3 centimes.

Considered in regard to the total receipts, the general expenses are 3.62 % at Epannes, and 3.69 % at Saint Hilaire-la-Palud (Deux-Sèvres) rising to the enormous figures of 40.7 % in one dairy of Vienne, 20 % in

one of Indre and in another of Maine-et-Loire, and, lastly, to 26 % in one society of Deux-Sèvres.

These figures suggesting some defects the good faith of the managers do not hide must not make us overlook the general conditions, which are most prosperous. The district where co-operative societies were established twenty-five years ago and which later was threatened with poverty and destitution has now recovered owing to the Association. Milk and its products, which formerly gave but insignificant profit except in the neighbourhood of the thinly populated cities of the district, now yield the farmers a good harvest of "liquid silver". Herds of dairy cattle have increased, manure is more abundant and consequently the soil is more fertile. To ensure sufficient feeding, the ground had to be better cultivated and therefore it is now more productive. For all these reasons, the welfare is general and emigration to the cities has completely ceased.

APPENDIX.

Rules of the co-operative dairies.

I. — *Aim and Organisation of the Societies.*

Art. 1. — Among the agriculturists of X — and the neighbouring communes an association has been formed under the title of . . . . . .

Art. 2. — The object of this association is to manufacture butter in common so as to obtain higher prices. It authorises retail trade in its own neighbourhood. Every member must send to the Society all the milk of his farm except what is required for his household, and by so doing engages himself not to make butter for sale.

If milk be sold it must be through vouchers given in the name and by the authority of the Society.

Art. 3. — The offices of the Society are at the dairy. A general meeting convoked by the president is held in January every year. At this meeting the Bureau gives an account of the work of the year and of the financial condition of the Society.

An extraordinary general meeting may be convoked, if required, by one-third of the members.

In every case half the number of members constitutes a quorum ; should the number be less than half a new meeting must be held within a week from that time, at which, whatever be the number present, the questions on the agenda must be considered.

Art. 4. — All political or religious discussion is strictly prohibited. Every member who criticises openly without sufficient reason the decisions of the Board, and who by words or otherwise seeks to interfere with the

working of the Society shall be liable to a fine of from five to one hundred francs, and for a second offence he may be excluded from the Board of Management.

Art. 5. — The duration of the Society is fixed at six years. . . . . .

The number of members is unlimited. A month after the definite formation of the Society, members will be accepted by the Board of Management, and must pay an entrance fee in proportion to the number of cows they possess. The amount of the fee will be fixed every month by the Board of Management which has the power, when judged desirable, to close the list of members.

Art. 6. — Where owing to the distance from the offices of the Society or difficulty of communication the collection of milk would only occasion a loss to the Society, the Board of Management shall arrange with the member some means of facilitating communication.

Art. 7. — All engagements terminate on both sides with the death of a member or his leaving the district. But in case of decease the widow or the heirs may continue to be members of the Society. In the case of leaving the district because of the termination of a lease or other cause beyond his control, the member may pass on his rights to his successor, by mutual consent.

II. — *Exchange of Members.*

Art. 8. — Every one who has been a member of any co-operative dairy will be admitted to another without entrance fee if reciprocity is admitted and if the Board agrees.

Should a member go to settle in a place where there is no dairy or if free admission to the local dairy should be refused him, the Board must consider whether it would be desirable to grant him compensation, and, should the decision be affirmative, it must fix the amount.

Any member whose change of domicile would create difficulties for the Society in regard to the collection of milk may be excluded by decision of the Board of Management, and awarded compensation.

III. — *Cows allowed to Supply Milk.*

Art. 9. — The Society will only receive the milk of cows of local breeds.

But if circumstances should make it desirable to import cows of other breeds, the Society meeting in general assembly on the request of 50 members may grant permission to do so. In this case the assembly must decide as to the breeds to be imported.

IV. — *Minimum of Butter in Milk.*

Art. 10. — A minimum of butter in the milk of every cow, must be fixed. The owners of cows of which the average milk, during the period of lactation falls short of this minimum, will be advised to part with them.

The Board will judge as to when and how the decision is to be carried out.

V. — *Frauds with regard to Milk. Sampling.*

Art. 11. — Any member convicted of fraud with regard to milk either by adding water, by skimming, or in any other way, shall be liable to a fine of from 100 to 1,000 francs to the Society as compensation for damage. The amount will be proposed by the Bureau and fixed by the Board. A sentence to the payment of such compensation will involve the expulsion of the defaulter. The Bureau is authorised to take samples or have them taken from any member at any time and at any hour of the day.

A special employee appointed by the Bureau will take three samples in the presence of the member, his partner or a person appointed to give the milk to the carrier of the Society, or in default of these, before two witnesses, who will certify by tickets attached to the bottles containing the samples that it was done regularly in their presence.

These bottles must be closed with wax and bear the impression of the seal of the Society ; one will be given to the member or his representative, the second will be sent to the town-hall of X — and the third will be retained by an agent of the Society to be analysed.

The member may if he chooses write his signature on a piece of gummed paper and attach it to the seal of each bottle.

The same evening or the following morning, after the milking of the cows, three more samples must be taken in the presence of the agent of the Society on the one hand, and of the member or his representative and two witnesses on the other. These samples must be sealed, ticketed, and disposed of like the first, and also analysed.

When samples are taken there must be an official report, of which two copies must be made within 24 hours by the superintendent of the Society. The member from whom the samples have been taken must sign the report, of which he will receive a copy.

Should the analysis show that the member from whom the samples were taken, has defrauded the Society, he will have to pay the fine indicated in the first paragraph of this Article.

VI. — *Cases of Expulsion.*

Art. 12. — A member may be expelled in the following cases and according to the following forms :

1st. If he has undergone any penal sentence for fraud or theft ;

2nd. If he has not fulfilled his obligations towards the Society ; if he has defrauded it or endeavoured to injure it by words or deeds likely to interfere with its working.

A member presumed to be guilty is summoned by registered letter to appear before the Board, that his defence may be heard. Should he fail to appear the sentence of expulsion is proposed by the Board, and ratified by the General Meeting, after hearing the report of the Board giving the facts and explanations. The voting takes place by ballot without any discussion, and the vote of majority of the members present is decisive.

VII. — *Management.*

Art. 13. — The Society is managed by a Board of Management which may be renewed every year, but its members are eligible for re-election. It is composed of a Bureau of six members, and of at least one delegate for each town or village within its district.

A village from which more than 20 members come may send a delegate for every 20 membres, or fraction of 20.

Art. 14. — The bureau consists of a president, two vice-presidents a treasurer, and two secretaries.

All the members of the bureau are appointed by the General Meeting of members, by ballot and by a majority of the members voting.

The delegates are elected respectively by the members belonging to their village, isolated houses being included in the nearest village.

Art. 15. — The Board of Menagement undertakes everything connected with the working of the Society, supervises the carrying out of all its regulations, and verifies and sanctions all its transactions.

It meets once a month, being convoked by the president.

Art. 16. — The bureau meets whenever the president judges it necessary. It manages current affairs, prepares the monthly accounts and decides questions that cannot be delayed till the next session of the Board of Management.

The members of the bureau supervise all the paid employees.

VIII. — *Resignations.*

Art. 17. — Members of the Board of Management on resignation or death must be provisionally replaced within fifteen days by the Board

itself which must decide whether to call upon the General Meeting or a meeting of the village to make a permanent arrangement. Members who have resigned will retain their posts till they are replaced.

IX. — *Powers of the Members of the Bureau.*

Art. 18. — The president must see that the decisions of the Bureau or the Board of Management are carried out, and must represent the Society in its relations with outsiders or with public authorities. He makes purchases, concludes contracts, signs correspondence, invoices and cheques. He is responsible to the Board of Management, and must lay before it all necessary documents. He maintains order in the meetings over which he presides, and keeps the speakers to their subject.

The vice-presidents assist the president in the performance of his duties, and take his place when he is absent.

The treasurer takes charge of all the money in the bank, and is responsible for its safety. He must give account of it when required, and at least once a year to the General Meeting.

The secretaries must draw up reports of the General Meetings, of the meetings of the Board of Management and of the bureau. They copy these reports in a special register kept by themselves, which must be at the disposal of members who wish to consult it.

Every report, when read and adopted, must be signed in the register by the president and by the secretary by whom it was drawn up.

Art. 19. — All the administrative functions of the Society are entirely gratuitous.

The members of the Board must ensure the regular and exact collection of the milk which must be of good quality and they must prevent frauds.

The Board of Management may, if desirable, appoint a paid overseer to exercise this supervision.

In case of fraud, irregularity or in accuracy, the delegates and overseer must ascertan the facts and inform the president immediately that he may take measures accordingly.

X. — *Management of the Dairy.*

Art. 20. — The management of the dairy is entrusted to a paid employee. He is manager and book-keeper ; he directs the work of the dairy, gives orders to the staff, sees that internal and external regulations are carried out and keeps a full and regular account of all the transactions of the Society, as representative of and under the supervision and instructions of the President.

He must also collect debts and without delay place the amount in the hands of the treasurer in return for a receipt. At the end of every month

the treasurer, by direction of the president, hands him the funds necessary to pay the members.

Art. 21. — No action at law shall be taken without the consent of the Board of Management, which will, if necessary, give full powers to the president.

The members of the Board incur no personal obligation from their position ; they are responsible only to their electors.

XI. — *Loans.*

Art. 22. — For the purchase of material and accessories, and the cost of the buildings required for the dairy a loan must be contracted.

The Board of Management must arrange this loan, and fix the amount, the conditions and the terms of repayment.

All the members are jointly and severally responsible for repayment of the loan.

XII. — *Budget.*

Art. 23. — At the end of every month the bureau will fix the deduction to be made on the price of every litre of milk to pay the yearly debts, and the cost of the establishment of the dairy.

The surplus will be divided among the members in proportion to the quantity of milk supplied by them.

XIII. — *Dissolution and Liquidation.*

Art. 24. — The dissolution of the Society cannot be decided on before five years have expired unless, in the General Meeting, such dissolution be demanded by three fourths of the members. In this case, every member will share in the profits and losses of the Society in proportion to the quantity of milk he has supplied.

At the end of five years, if a three fourths majority desire to continue for another period to be fixed, every member will be free to withdraw, leaving to the Society his share of the profits. Should the contrary be the case, liquidation must take place as above.

XIV. — *Care of Milk.*

Art. 25. — Milk requires close attention especially in summer, that it may be delivered in good condition. Every member must conform to the following regulations :

Immediately after milking the milk must be poured into a pail, tinned inside and kept very clean.

Each milking must be kept separate, and if not quite cooled must be taken in this condition to the milkman's cart.

The milk must be kept in a cool place and protected from every odour.

After a cow has calved, the milk must not be put into the dairy till the fifth day.

Special regulations, enforced by fines, may be made by the Board of Management for cases not contmplated in the rules of the Society.

Such regulations must be made known to all the members by means of placards attached to the carts of the milkmen.

XV. — *Registration of Members. Contract.*

Art. 26. — Every member shall sign the register of members and shall receive a copy of his agreement.

The present regulations have been drawn up at the General Meeting on the... by all the members present.

They must be printed in the form of a pamphlet and given to every member on his entrance into the Society.

XVI. — *Insurance of Animals.*

Art. 27. — A commission of experts shall be appointed in the proportion of three members per section.

The election will be conducted in the same way as that for the Board of Management: the commission composed of fifteen members will appoint a president and two vice-presidents: the president will be summoned whenever the Board meets; he will have right to speak but not to vote; the commission must value the animals insured both in sound and unsound condition, when requested by the members.

The experts will perform their functions in their section; the insurer has a right to appoint another expert chosen by him from among the members of the commission.

Members will have no right to make complaints or take proceedings after the valuation by the experts. Members who wish to insure must enter all their animals in classes, cows, heifers and calves, otherwise the insurance will be null; the insurer must call in experts to examine the animals he wishes to report; members surrendering or resuming insurance are under the same obligation.

Members surrendering must give notice for the end of the month in course, and may not resume insurance until a year has passed from date of surrender.

Heifers may be insured as soon as they are weaned, and for them half-price must be paid up to the 29th. September of the following year, when the full cost must be paid.

Other calves may also be insured from the day they are weaned; half-price must be paid for them till the 29th. September of the following year, from which time the full cost must be paid till the 15th. May following, and from that time they cease to be insured.

Members will receive 80 % of the estimated value of animals insured when lost by natural death or accident.

No compensation will be given should the loss of the animal be due to want of care, imprudence, ill treatment, fire or lightning.

The value of the animal will be paid by all the members in proportion to the number of animals insured by each.

Losses must be notified at once to the experts of the section, unless he is more nearly related to the insurer than the fourth degree, when experts of another section must be called in.

The decision must be immediately submitted to the president of the society, who will order the treasurer to pay the amount of the insurance within fifteen days after verification of the loss.

In every section the members must appoint one of their number to whom the insurers must make their declaration in case of purchase or sale, or for a new registration.

Every insurer must keep a book in which to enter the number of animals he has insured; whenever a change is to be made he is obliged to present himself to the expert of the section appointed.

The insurer, who, not supplying milk, shall forget to pay his share for the losses, will be warned; should he neglect payment for two months he will cease to be insured.

Insurance will not be compulsory.

GREAT BRITAIN AND IRELAND.

AGRICULTURAL CO-OPERATION IN IRELAND, 1912 AND 1913.

SOURCES:

REPORTS OF THE IRISH AGRICULTURAL ORGANISATION SOCIETY for the Years ended 30th June 1912, 1913, and 1914. Dublin, 1913, 1914, and 1915. The Sackville Press.
THE IRISH HOMESTEAD, Dublin.

§ 1. GENERAL PROGRESS.

If we judge of the progress of agricultural co-operation in Ireland by the number of new societies formed, the years 1912 and 1913 represent respectively the low-water mark of progress and the beginning of a renewed activity. In 1912 only 22 new societies were formed; in 1913 the number increased to 43.

This change corresponds to a change in the resources at the disposal of the Irish Agricultural Organisation Society, the central body by which agricultural co-operation is promoted. After having enjoyed from 1900 to 1908 a considerable grant from the Department of Agriculture and Technical Instruction for Ireland, the Society found itself reduced in 1909, by the withdrawal of the Department's grant, to the affiliation fees of affiliated societies, the subscriptions of individual members and a small grant from the Congested Districts Board. To these sources of income it was confined until 1913, when it received from the Development Commissioners a retrospective grant of £2,000 in respect of its work during the twelve months ended July 1st., 1912. A further grant of £1,500 was made in respect of the nine months ending 31st. March, 1913, and a grant, not exceeding £4,000, was sanctioned in respect of the year ending 31st. March, 1914, on the basis of £1 from the Development Fund for each £1 received from affiliation fees and subscriptions.

If, on the other hand, we consider the increase in the business done by the existing societies as the test of progress, both years showed a considerable advance. Indeed, if we take the aggregate turn-over as given in the statistics published by the Irish Agricultural Organisation Society, the advance would appear to have been considerably greater in 1912 than in 1913. According to these statistics the total sales increased from £2,666,483 in 1911 to £3,205,189 in 1912 and £3,333,189 in 1913.

The statistics are open to criticism owing to the number of societies which fail to furnish returns of business done and to the fact that the proportion of such societies was greater in 1913 than in 1912 or 1911. An analysis of the figures shows, however, that the impression they convey is probably correct.

The statistics which are most nearly complete are those of the co-operative creameries and not only do they form the most numerous class, but their average turn-over is far greater than that of any other class of society, except the federations, of which there are only two. The creameries furnishing returns numbered 273 in 1911; 281 in 1912 and 285 in 1913. The total sales by these societies were £2,056,677 in 1911; £2,464,228 in 1912; and £2,524,621 in 1913. The average sales per creamery were, therefore, £7,533 in 1911; £8,057 in 1912 and £8,156 in 1913. Both total and average sales show a much greater advance in 1912 than in 1913.

The sales of the creameries form so large a proportion (about five-sixths) of the aggregate sales of all the societies that only very violent fluctuations in the turn-over of the other classes of society could make the general result differ from the result for this class alone. Hence we may take it that complete statistics would confirm the result indicated by the admittedly imperfect figures presented by the Irish Agricultural Organisation Society, and that the increase in sales was substantially greater in 1912 than in 1913.

We shall now give a summary of the statistics of agricultural co-operative societies for the years 1911, 1912 and 1913 and shall afterwards examine separately the progress in the principal classes of society.

TABLE I. — *Summary of Statistics for* 1911, 1912 *and* 1913 *of Agricultural Co-operative Societies in Ireland.*

	Number of Societies			Membership			Paid-up Share Capital			Loan Capital			Turn-over		
	1911	1912	1913	1911	1912	1913	1911	1912	1913	1911	1912	1913	1911	1912	1913
							£	£	£						
Co-operative Creameries	326	329	341	45,725	46,056	46,106	146,370	148,086	152,476	114,217	120,095	128,200	2,056,667	2,464,228	2,524,621
Auxiliary Creameries (not separately registered)	87	87	89	—	—	—	—	—	—	—	—	—	—	—	—
Agricultural Trading Societies	171	175	193	18,378	18,846	19,970	6,854	6,971	10,221	40,722	42,509	41,925	130,203	157,755	176,301
Agricultural Credit Societies	236	234	235	19,505	20,044	20,211	—	—	—	56,554	62,206	55,283	56,055	58,244	55,492
Poultry Societies	18	18	18	5,879	5,277	5,294	2,127	1,567	1,624	3,651	2,913	2,277	67,669	64,513	48,338
Home Industries Societies	20	19	18	1,375	1,326	1,212	706	1,025	1,014	783	672	202	6,257	4,111	3,021
Flax Societies	9	9	10	621	329	406	550	573	838	4,171	3,682	463	3,402	2,915	1,003
Pig and Cattle Supply Societies	40	49	52	657	1,533	1,730	24	—	30	—	—	—	—	—	—
Miscellaneous Societies	25	25	27	4,928	8,308	9,492	15,737	21,261	25,349	7,847	12,098	15,153	59,606	104,415	136,817
Federations	2	2	2	249	262	281	8,517	8,840	9,455	19,013	16,939	9,457	286,624	349,008	387,598
All Societies	934	985	985	97,318	101,991	104,702	180,885	188,323	201,007	246,959	261,114	252,960	2,666,483	3,205,189	3,333,189

§ 2. Co-operative Creameries.

The following Table shows the progress of the Irish Co-operative Creameries:

Table II. — *Statistics of Co-operative Creameries.*

	1911	1912	1913
Number of Societies	326	329	341
Number of auxiliaries not separately registered	87	87	89
Membership:			
No. of Societies furnishing returns of membership	301	303	309
Total membership of these Societies	45,725	46,056	46,106
Average membership per Society	151	152	149
Paid-up share capital:			
No. of Societies furnishing returns of paid-up share capital	295	298	314
Total paid-up share capital of these Societies £	146,370	148,086	152,476
Average paid-up share capital per Society £	496	496	485
Loan capital £	114,217	120,095	128,200
Sales:			
No. of Societies furnishing returns	273	281	285
Sales by these Societies:			
(*a*) Dairy Produce £	1,926,963	2,286,190	2,347,091
(*b*) Other Sales	129,704	178,038	177,530
Total Sales £	2,056,667	2,464,228	2,524,621
Average Sales per Society £	7,533	8,057	8,156

These figures show that while the number of societies increased but slowly and the membership and paid-up capital fluctuated but slightly there was (as we have already noted) a considerable increase in the sales as between 1911 and 1912 and a further slight increase in 1913.

For 1913 the statistics are somewhat fuller and we have the following additional total figures : Nett profit, £28,383 ; nett loss, £5,763 ; reserve fund, £167,543 ; gallons of milk received, 90,960,805 ; pounds of butter made, 37,075,561. The average number of gallons of milk required to make a pound of butter varied from 2.65 to 2.07 the distinction of attaining the best result resting with the Cairncastle Co-operative Dairy Society in Co. Antrim. The average price paid to members for milk varied from 3.45 pence per gallon to 5.61 pence per gallon, the maximum being paid by another Co. Antrim society, that of Glarryford. The average price received for butter varied from 10.31 pence per pound to 13.39 pence per pound ; the latter figure was reached by the Carrickmore Co-operative Dairy Society in Co. Tyrone.

In its Report for 1912-13, the Irish Agricultural Organisation Society expressed the opinion that the system of auxiliary societies not separately registered is unsound. It is found, we are told, that such societies have no incentive to make their business self-supporting. Means were suggested whereby such auxiliary societies may be constituted as independent societies, but it does not appear that by the end of 1913 much had been done in this direction.

The importance of grading up the average milk yield of cows in Ireland, to which previous Reports had called attention, is again insisted upon in the Report for 1912-13. It is stated that careful inquiries made at creameries all over Ireland have elicited the fact that the average yield per cow is only from 350 to 400 gallons, and that in the Province of Connaught it is probably 100 gallons less. Moreover the tendency seems to be for the average to diminish rather than to increase. To remedy this state of affairs it is urged that a cow-testing association should be formed in connection with every co-operative creamery. As illustrating the practical value of milk records the Report mentions two farmers who, through joining cow-testing associations, ascertained that there was an extraordinary difference in the returns obtained from individual cows. In the one case the highest return was £19 and the lowest £10 ; in the other the highest and lowest returns were £12 and £5. It is estimated that if the average return per cow could be raised to £15 the value of the output of the co-operative creameries would be doubled.

The question of winter dairying is also discussed in the 1912-13 Report and it is admitted that the attempts made to stimulate winter milk production had been a dismal failure. The Report deprecates any system of winter dairying which depends for its success on cows which have been graded up to produce an abnormal quantity of milk or upon feeding the cows on crops grown by costly processes of tillage and on bought food-stuffs. " Unless the winter feeding can be wholly, or at all events mainly, produced economically on the farm, " says the Report, " winter dairying in Ireland must be abandoned altogether. " The Irish Agricultural Organisation Society has appointed, as instructor in the winter production of fodder crops, Mr. Thomas Wibberley, well-known as the initiator and advocate of a system of continuous cropping. His services are placed at the disposal

of creameries desiring to make an experiment in winter milk-production. The proposals put forward by Mr. Wibberley are :

(1) Cultivated land should be bearing suitable crops all the year round ;

(2) Tillage should be done at seasons when climatic conditions are favourable ;

(3) The crops grown must provide a " balanced ration " for milch cows ;

(4) They must be produced at a minimum of cost having regard to the scarcity and expense of labour.

It is claimed for this system, which has already been tried with conspicuous success in many parts of Ireland, that not only can the existing stock of cattle be properly fed during winter, but that a far greater head of cattle can be kept than at present, and that, all the crops being consumed on the land, the soil itself is enriched.

The same question is touched upon in the Report for 1913-14, in which it is stated that " a mass of evidence has been accumulated which goes to show that at least a *prima facie* case has been made for continuous cropping as against the established system of the rotation of crops. "

This Report complains that the question of marketing the butter produced by the creameries still remains unsolved. Under the present system the creameries compete with one another and prices are " cut. " The Irish Co-operative Agency Society still handles only a fraction of the butter produced. In 1913 its sales amounted to £ 163,813 whereas the aggregate turn-over of the creameries was £ 2,524,621.

§ 3. Agricultural Societies.

Turning now to the agricultural societies, the principal business of which is the joint purchase of agricultural requirements, we obtain from the Reports of the Irish Agricultural Organisation Society the following statistics :

TABLE III. — *Statistics of Co-operative Agricultural Societies.*

	1911	1912	1913
Number of societies	171	175	193
Membership:			
No. of Societies furnishing return of membership	159	161	168
Total membership of these societies	18,378	18,846	19,970
Average membersh p per society	115	117	118
Paid-up Share Capital:			
No. of Societies furnishing returns of paid-up share capital	142	144	158
Total paid-up share capital of these societies £	6,854	6,971	10,221
Average paid-up share capital per society.	48	48	64
Loan Capital £	40,722	42,509	41,925
Sales:			
No. of Societies furnishing returns of sales	129	129	114
Total sales of these societies £	130,203	157,755	176,301
Average sales per society. £	1,009	1,222	1,590

In 1913 the aggregate nett profit was £3,447; the nett loss of £685; the reserve fund, £14,852.

Both in 1912 and 1913 the total and average sales show a marked increase. As the statistics for 1913 are more incomplete than those for 1912 or 1911, it is probable that the actual increase of the aggregate sales was substantially larger than appears. Contrary to what occurred in the case of the co-operative creameries, the increase in average sales was more rapid in 1913 than in 1912.

The average membership having remained almost stationary, it is clear that the average trade done by each member with his society has increased in almost exactly the same proportion as the average sales per society. Taking in each of the years under consideration the societies which have furnished returns *both* of membership and of sales, and dividing the total sales of these societies by the total membership, we find that the average trade per member was £8 6*s.* 4*d.* in 1911; £9 15*s.* 2*d.* in 1912, and £11 13*s.* 4d. in 1913 (1).

(1) In the Report of the Agricultural Organisation Society for 1912,-13, it is stated that the average trade done by the member with his society was £5 in 1902; £7 in 1907, and £8 in 1912. In a note it is explained that "these figures relate to purely *agricultural* societies". The distinction between "purely *agricultural* societies" and societies classed in the Reports as "agricultural societies" is not clear, nor can we account for the discrepancy between the figure which we obtain for 1912 and that given in the Report.

"It must be borne in mind," says the Report for 1912-13, "that these societies are, as a rule, situated in very poor localities where the outlay per farm on seeds, manures, feeding stuffs and implements is necessarily small. But, even in these districts, much more business could be done if enterprising methods were adopted."

Amongst the directions in which the business of the agricultural societies could be developed, the following are suggested:

(1) The purchase and hiring out to members of a society of the more expensive kinds of implement.

(2) The provision of weigh-bridges, so that the members may be able to ascertain definitely the live-weight of the cattle they sell, instead of merely guessing it, as is often the case at present.

(3) Encouraging the insurance of the members against the risks of paying compensation to their labourers in case of accident. For this class of insurance advantageous terms have been arranged for members of agricultural co-operative societies.

(4) The establishment of veterinary dispensaries.

(5) The co-operative sale of wool.

(6) The erection of small grinding mills in which locally grown wheat, oats and other grain can be ground for local consumption.

The agricultural societies have (we are told in the 1913-14 Report) effected a revolution in the price and quality of agricultural requisites, but there is still ample scope for useful development in other directions in which they could confer still greater benefits on their members.

§ 4. Credit societies.

We have recently written at some length on agricultural co-operative credit in Ireland, in giving a résumé on the Report of the Departmental Committee on Agricultural Credit (1). We shall, therefore, content ourselves with giving a few statistics for 1911, 1912 and 1913, extracted from the Reports of the Irish Agricultural Organisation Society.

(1) *Bulletin of Economic and Social Intelligence*, February 1915, "The Sources of Rural Credit in Ireland."

TABLE IV. — *Statistics of Co-operative Credit Societies.*

	1911	1912	1913
Number of registered societies	236	234	235
Membership:			
Number of societies furnishing returns of membership	203	204	204
Total membership of these societies	19,505	20,044	20,211
Average membership per society	96	98	99
Loan capital £	29,264	31,738	26,598
Deposits £	27,290	30,467	28,685
Total capital £	56,554	62,206	55,283
Loans granted:			
Number of societies furnishing returns of loans granted	163	166	146
Total amount of loans granted £	56,055	58,244	55,492
Average amount per society of loans granted £	343	350	380
Number of loans granted	7,967	8,522	7,908
Loans ontstanding at 31st. December £	52,588	59,599	54,938
Expenses £	607	738	728
Nett profit for year £	466	532	466
Nett loss for year £	33	67	51
Reserve Fund £	3,686	4,492	4,493

During the years under review the Irish Agricultural Organisation Society virtually suspended the promotion of co-operative credit in Ireland, as the question was being investigated by the Departmental Committee to which we have alluded above. There is, however, evidence of growth in the existing societies. The increase of the deposits in 1913 is noteworthy. The figures for 1913 seem to show a decrease in the amount of deposits, but this is probably due to the imperfection of the statistics, which are much more incomplete in 1913 than in 1912.

A central credit institution was registered in 1913 under the title of the Central Co-operative Credit Society, but its business has been very small as yet.

§ 5. OTHER SOCIETIES.

In the other classes of society, little progress is to be noted, except in regard to the co-operative bacon factories. The turn-over of the Roscrea

Bacon Factory increased from £47,355 in 1911 to £55,547 in 1912, but showed a slight falling off in 1913, being £55,400 in that year. Its business was greatly interfered with by an outbreak of foot and mouth disease in 1913.

The Wexford Meat Supply and Bacon Curing Factory, which started business by the sale of meat, has now commenced bacon-curing. The combined sales of meat and bacon were £34,256 in 1912 and £67,265 in 1913.

Besides these two societies which cure bacon on a large scale, there are several others by which bacon is cured in a small way for local consumption. The aim of these societies is to substitute home-cured bacon for the inferior imported article, and to provide a convenient local market for their members' pigs.

Of the two trading federations, the Irish Co-operative Agency Society seems unable to progress; its sales were even slightly less in 1913 than in 1912. The Irish Agricultural Wholesale Society, on the other hand, shows marked progress; its sales increased from £132,929 in 1911 to £176,900 in 1912 and £223,785 in 1913.

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We have seen that the progress during the years under review has been of the nature of gradual growth of existing societies, rather than increase in the number of societies or developments in new directions. It is probable that, as a result of the increased funds at its disposal, future Reports of the Irish Agricultural Organisation Society will indicate that a more active policy has been pursued. The outbreak of the European War, moreover, has brought about a marked change in the position of the Irish farmer and new problems have arisen (such as the necessity for increasing the cultivation of wheat) in the solution of which co-operation will be able to play an important part.

MISCELLANEOUS INFORMATION RELATING TO CO-OPERATION AND ASSOCIATION IN VARIOUS COUNTRIES.

AUSTRALIA.

QUEENSLAND CO-OPERATIVE SUGAR WORKS ACT OF 1914. — The Act of which we summarise below the chief provisions came into force on January 1st., 1915. It provides in detail for the organisation of co-operative sugar works in Queensland with the help of loans from the Treasury.

Only owners or occupiers of a certain quantity of land suitable for the growth of sugar cane and of a quality to produce adequate crops of cane may make application to establish co-operative sugar works. The application must be accompanied by an instrument giving full particulars as to the situation and the area of cane land held, so that the possible output may be ascertained, and also by an engagement on the part of the applicants to subscribe to the capital stock of the company a sum equal to one-third of the capital required for the construction, equipment or purchase of the sugar works. There must also be presented with the application a map or plan of the locality showing the proposed mill site and a note showing the means and conditions for the transport of produce, as well as a copy of the articles of association. The latter must provide that no dividend at a greater rate than 5 % shall, at any time after the advances by the Treasurer have been repaid, be declared or paid or credited by the company and no person shall be qualified to hold shares in the company unless he is and remains a grower of cane under a cane-growing agreement in respect of a minimum area of land. The application must further be accompanied by deposit of such a sum of money as the Treasurer considers sufficient to defray the expenses incurred by him in connection with the report upon the application. The Treasurer shall submit the application to a competent commission of valuers and their decision shall be made known to the parties concerned by means of a notice in the Government Gazette.

The conditions necessary for the formation of a company are: that the subscribed capital shall be equal to the cost of construction or of purchase of the sugar works ; that the value of the shares allotted to each member may not exceed the value of his land, and that the shares corresponding cannot be sold to guarantee the Government advance for the works

to be carried out. The law makes suitable provision for the supervision and inspection of the work of construction as well as for the management of the business.

The company shall have power to grow cane on any land whatsoever: it may purchase or rent from other persons land for the construction of roads and installation of means of transport. It may further make advances to the owners or occupiers of land on the security of the cane being grown by them.

As soon as may be after the completion of the works, the corporation shall, by a certificate published in the Government Gazette, declare what is the total capital sum expended, including interest at the rate of 4 %. If the capital cost exceeds the estimated cost, the share capital of the company must be increased in proportion.

The loan from the Treasury, equal to two-thirds of the cost, bears interest at 4 % and must be repaid within 21 years, the repayment of the principal beginning with the third year after the grant is made. If the profits of the sugar works are not sufficient to provide for the annual repayment of principal and interest, the original shareholders shall be liable to make good to the Treasurer the amount of the deficiency, by means of a rate in proportion to the land held by each. At intervals of seven years, the corporation shall, by certificate published in the Government Gazette, declare in respect of every shareholder, the amount of his share credit.

For each sugar works there may be constituted a board of advice, consisting of 5 members, three of whom shall be appointed by the Government, and two elected by the shareholders.

When the debt has been repaid, the Treasurer shall publish a certificate to that effect in the "Gazette", and the liability of the lands of the original shareholders to be rated shall cease.

(Summarised from the *Australian Sugar Journal*, of January 7th, 1915).

SPAIN.

WORKS OF THE ZARAGOZA FARMERS' ASSOCIATION. — This Association is one of the institutions created in virtue of the law of 1887 on associations and has consequently benefited by the provisions of the law of 1906 on agricultural syndicates. It was formed in 1900 with 853 members. It has now 3,259, principally inhabitants of the provinces of Zaragoza, Huesca, Teruel and Navarre; some of the members are other societies. Up to 1914, the Association provided for the working of the following departments: supply of manure and seeds; agricultural laboratory; credit bank. This year it has further founded a savings bank. Before showing the progress made in each of these departments in the last year, it will be well briefly to speak of their organization.

The method pursued by the association in purchasing and supplying raw material for manure is as follows. The Board of Management orders the materials *immediately from the factories* in proportion to the requirements of the members, without, however, the latter being bound in any way. The price of sale is the price paid by the association increased by the cost of carriage and administration, an allowance for waste and a small profit. The manure once received, samples are taken for the laboratory to determine their chemical composition.

The agricultural laboratory, founded in 1904, is occupied principally with analysis of soils, manures, alcohol, wine and oil, the examination and germination of seeds, plant diseases, and advice requested in regard to the improvement of crops. All services are gratuitous for members. In 1914 more than 900 questions were answered.

The credit bank, founded in 1902 with a capital of 12,500 pesetas in 500 shares of 25 pesetas each, only grants loans to members and almost exclusively on personal security, two signatures being required by the Board of Management. The maximum amount of the loans is 250 pesetas and the minimum 50 pesetas. The rate of interest fixed by the Bank for its loans is 4 % per ann. In the course of the present year (1915), the association inaugurated the savings bank service. On the deposits 3%, 3¼% or 3½% interest is paid, according as they are deposits at sight, at six months or a year.

With regard to the work of the Association in the year 1914-1915, we shall give the following particulars we reproduce from the Report for the year.

In the year under consideration, 79 new members were registered in the books of the Association, so that the total number has increased from 3,180 to 3,259. The revenue of the society during the year was 1,098,835 pesetas and the expenditure 1,060,569 pesetas, so that there was a balance of 385,266 pesetas at the end of the year.

The Association supplied its members with manure for 998,600 pesetas. The following figures give an idea of the progress of this department.

Year	Value of Manure Supplied — Pesetas
1900	19,781
1904-1905	155,219
1909-1910	446,269
1914-1915	998,660

The value of the seeds supplied was 31,821 pesetas.

The credit bank has granted 367 loans for an amount of 101,264 pesetas. The amount of loans repaid was 95,000 pesetas; there remained consequently in safe on March 31st., 1915, bills for 69,802 pesetas. In the two

months during which the savings bank had worked at the end of the financial year, it had received 64 deposits for an account of 17,835 pesetas and repaid two amounts, making a total sum of 2,150 pesetas.

Although the above figures give but an imperfect idea of the work of the Zaragoza Farmers' Association, they still show the efficiency of all its departments which have benefited the farmers of the district in many ways and have made this institution a real model, in comparison with those of similar aim existing in Spain.

UNITED STATES.

1. — A GENERAL CO-OPERATIVE SOCIETIES ACT IN NORTH CAROLINA. — On March 8th, 1915, the General Assembly of North Carolina passed a short Act (Chapter 144, Public Laws 1915) entitled "An Act to Provide for the Incorporation and Maintenance of Co-operative Organizations." The act is framed very much upon the lines already familiar in similar legislation in other States, — in California, Wisconsin and Massachusetts, for example. It empowers any number of persons, not less than five to form themselves into a co-operative association or society "for the purpose of conducting any agricultural, dairy, mercantile, mining, manufacturing or mechanical business on the co-operative plan." The promoters are required to sign and acknowledge written articles which shall state the purposes for which the association is formed, the amount of the authorized capital, the number of shares subscribed and the par value of each share. One copy of such articles is to be filed with the Secretary of State and one with the Superior Court of the county in which the association proposes to establish its principal place of business. The promoters at the time of signing the articles are required to draw up bye-laws which shall declare and establish: (1) the qualifications for membership; (2) the conditions upon which shares may be issued, paid for, transferred and withdrawn; (3) the manner in which the reserve fund shall be accumulated; (4) the manner in which the dividends shall be determined and paid to members. In the case of selling agencies or productive societies the bye-laws must also contain regulations for the grading of products contributed by the members and for the sale of such products through the association.

No shareholder in any association may hold shares amounting to more than 20 per cent. of the paid up capital of the association or be entitled to more than one vote; nor shall any shareholder be personally liable for any debt of the association. A co-operative association shall reserve the right of purchasing the shares of any member whose shares are for sale, and may restrict the transfer of shares to such persons as are elegible to membership.

Section 13 of the act deals with the distribution of the profits earned by an association. Out of such profits there shall first be paid a dividend

upon shares not exceeding six per cent. Next, ten per cent. of the net profits shall be placed to a reserve fund until such fund is equal to thirty per cent of the paid up capital; and two per cent. shall be placed to an educational fund for the diffusion of a knowledge of co-operative principles; and the remainder of such profits shall be distributed among the members and employees of the association in proportion to their dealings with the association or the salary or wages they are receiving from it. Net earnings shall be distributed not less often than once in twelve months.

Every association organized under the provisions of the act shall, annually, on or before the first day of March of each year, make a report to the Secretary of State, and such report shall show, for each association, the total amount of business transacted, the amount of share capital subscribed for and paid up, the number of shareholders, total expenses of operation, amount of indebtedness and amount of profits and losses.

Any existing co-operative association may be included within the operation of the act and be bound by all its provisions, provided that the shareholders by a majority vote shall elect to be so included and bound.

The present act has evidently been designed with a view to the requirements of co-operative societies for sale and for production and sale. Credit societies (or credit unions as they are usually called in the United States) are provided for in North Carolina by a special act of the General Assembly. The administration of both acts will be placed under the care of the Division of Markets and Rural Organization created (as a bureau of the North Carolina Agricultural Experiment Station) in June, 1913.

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2. — THE JEWISH AGRICULTURAL AND INDUSTRIAL AID SOCIETY: CO-OPERATIVE CREDIT AND CO-OPERATIVE PURCHASE IN 1914. — The annual report of the Jewish Agricultural and Industrial Aid Society shows that during 1914, or more precisely, during the latter half of 1914, it was found necessary to curtail the work to some extent at least in more than one direction. One of the principal activities of the Society is the granting of loans to Jewish farmers for the purchase of equipment, the construction of buildings, the repayment of mortgages and other purposes. These loans had to be restricted as far as possible after the outbreak of war in Europe with the result that, for 1914, there was a considerable reduction as compared with the three previous years, both in the number of loans made and in their total amount. The number of loans fell from 423 in 1913, to 327 in 1914, and their total amount from 244,977 dollars in the former year to 170,811 dollars in the latter.

Another important branch of the work of the Society is the organisation and supervision of agricultural credit associations (or unions), and under the unfavourable conditions which prevailed last year this work also necessarily suffered. The first credit unions organised by the Society — which were also, it may be mentioned, the first of their type to be organised

in the United States — were founded in 1911. Three were founded in that year, five in 1912, nine in 1913, but only one in 1914. The societies already in existence, however, maintained their position in spite of a small falling off in their membership and a considerable relative increase in their expenses. In 1913, on September 30th, there were 17 credit unions in activity, with 517 members, and their expenses, from their foundation up to that date, amounted to 726 dollars. In 1914, on the same date, the membership of these 17 unions had fallen to 504, while their expenses had risen to 1,427 dollars, or in other words expenses increased during 1914 by 701 dollars, an amount practically equal to the total expenses of the unions during the three years 1911, 1912 and 1913. One union with 32 members was organised in 1914 and the position of the 18 unions on September 30th, 1914, was as follows: Number of members 536, loans outstanding 26,153 dollars, interest collected 3,383 dollars, reserve 249 dollars. total assets 29,578 dollars and total liabilities 27,403 dollars. It appears, therefore, that the unions, though they are small and, judged by American standards, perhaps almost insignificant in size, are at least financially sound.

Another co-operative enterprise which is very largely a creation of the Jewish Agricultural and Industrial Aid Society is the Purchasing Bureau of the Federation of Jewish Farmers. The Federation was formed in 1909 mainly through the efforts of the Agricultural and Industrial Aid Society, and was designed to act as the central body of the Jewish farmers' agricultural associations scattered in different States. It began with 19 associations and, at the end of 1914, consisted of 63 associations organised exclusively for agricultural purposes. In 1910, it took up the business of co-operative purchase on behalf of its member-associations, and the growth of the Purchasing Bureau may be seen from the following table which shows the total amount of its purchases of each commodity in each year from 1910 to 1914.

	1910	1911	1912	1913	1914
Fertilizers	$7,693.49	$15,241.99	$23,243.48	$20,071.87	$22,050.32
Seeds	1,145.43	5,387.01	14,592.52	11,023.28	11,635 80
Silos and Dairy Supplies	1,216.20	3,416.64	4,314.88	4,762.49	6,395.37
Spraying Supplies	207.05	458.85	685.66	271.16	288.04
Lime	261.00	1,211.50	1,589.21	1,466.17	760.09
Agricultural Machinery	131.36	3,842.13	4,564.12	3,919.38	3,465.83
Feed	—	644.10	1,122.33	582.50	1,068.52
Poultry Supplies	—	15.40	886.62	1.005.47	2,374.61
Miscellaneaus Supplies		—	—	—	500.30
Totals	$10,634.53	$30,217.62	$50,998.82	$43,102.32	$48,614.84

It will be noticed that in 1913 there was a falling off in the amount of business done as compared with 1912. The Secretary of the Agricultural and Industrial Aid Society, in his report for 1913, wrote as follows with reference to this falling off in the volume of business done, " While the Federation, owing to its limited funds, was this year obliged to curtail the credit of many of its members, the local merchants not only extended to them the credit which they formerly refused, but even offered more liberal terms and quoted better prices in order to get their trade and incidentally injure the Federation. The purposes of the Purchasing Bureau are thus served even if it does a smaller volume of business."

PROTECTORATE OF MOROCCO.

AN AGRICULTURAL COMICE IN MOROCCO. — An *Agricultural Comice of the Sebu* has just been founded at Kenitra. This Comice, which is intended for five territories, has the following general programme before it:

(1) To study the different crops to be introduced into Morocco;

(2) to pass resolutions and approach the authorities with a view to the development of agriculture and its branches;

(3) to request the immediate application of the new real estate regulations and the registration of holdings;

(4) to request the relief of agricultural machinery, grain and seeds from customs dues;

(5) to obtain the authorization of the export of livestock;

(6) to found a syndicate with special rules and a commercial aim. It will have (*a*) to purchase for collective use, grain, seeds, trees, agricultural implements and machinery; (*b*) to sell the collective produce.

A regional agricultural bank will also be founded at Kenitra with local banks in connection with it.

Finally, the *Sebu Agricultural Comice* is preparing to organise agricultural shows and periodical exhibitions.

(Summarised from *Bulletin Economique du Maroc*, published by the *Service Economique*, of the *Résidence Générale*. January-February, 1914).

SWITZERLAND.

SWISS PEASANTS' UNION IN 1914. — The seventeenth Annual Report of the Managing Committee of the Swiss Peasants' Union and the Swiss Peasants' Secretariat for the Year 1914 has just been published (1) and we reproduce the following information from it.

(1) Publications du Secrétariat des Paysans suisses. No. 50. XVII^e Rapport annuel du Comité directeur de l'Union Suisse des paysans et du Secrétariat de Paysans suisses. 1914. Brugg, 1915.

The 26 sections making up the Union had, at the end of the working year 1914, altogether 182,940 members, showing an increase of 6,124 as compared with the preceding year. The largest number of members, 61,673 is found in the Swiss Agricultural Society.

The Union occupied itself with the following matters: (*a*) Law on Epidemic Cattle Disease; (*b*) Application of the law on Sickness and Accident Insurance; (*c*) Customs Tariffs.

To deal with the large number of requests for information in regard to insurance that have reached the Union and Secretariat, a "Sickness and Accident Insurance Information Office" had been instituted, as decided on by the Committee of the Union in 1912, and now the rules for its working have been drawn up. The Office has especially occupied itself with compulsory cantonal insurance, doctors' tariffs, and voluntary accident insurance.

In regard to the economic measures in connection with the war, the Union has rendered considerable and valued services, directly co-operating with the Federal Agricultural Department in the solution of several important problems, amongst them those of the estimation of the supplies required for Switzerland, of checking the rise in prices, and the supply of livestock, milk, cheese, hay and straw to the army.

The Office for information in regard to prices drew up reports, published a "Review of the Markets", prepared reports on the international market for dairy produce and reports for the International Institute of Agriculture in Rome.

The Valuation Office prepared expert reports and estimates at the request of private individuals, in case of inheritance and purchase of real estate, applications for credit, damage to farms etc.; the Office has likewise co-operated in cases of judicial valuations.

Finally, the Swiss Peasants' Secretariat has occupied itself with the preparatory revision of the commercial treaties, the work in connection with the National Exhibition, researches in regard to the yield of agriculture etc.

Part II: Insurance and Thrift

GERMANY.

LOCAL MUTUAL LIVESTOCK INSURANCE SOCIETIES IN THE KINGDOM OF PRUSSIA,

by Dr. G. Rocca.

In former articles on the subject of livestock insurance published in this "Bulletin" it has been shown that nearly every State has of late years endeavoured to promote the institution of mutual societies for insurance of livestock, and to regulate their working, improving by means of legislation their rules and the conditions of their policies, encouraging the existing mutual societies by means of prizes and grants and facilitating re-insurance against risks. This system has been pursued under the conviction that the development of livestock insurance must proceed in proportion to the increase of livestock improvement, and that insurance itself contributes largely to the prevention of diseases of livestock. It is well known that the insurance of livestock may be and is organised by public institutions and by private enterprise; the public institutions are sometimes administered directly by the State, sometimes by provinces or communes; private enterprises may either be profit seeking companies or mutual societies with a sphere of action extending to a whole State or district or limited to one or more communes. To these last belong the local mutual societies of insurance which represent, according to the prevailing technical opinion, the best form of organisation in this branch of agricultural thrift, facilitating a rigorous supervision of the risks undertaken, and reducing the working expenses to a minimum. It is calculated that in Germany there are about 12,000 local mutual insurance societies, and that the livestock insured in them has a total value of about 8[illegible]0,000,000 marks. As the statistics re-

cently published with respect to their development and technical and administrative organisation (1) refer to the Kingdom of Prussia alone, we shall endeavour in the following pages to trace the outlines of their organisation there, in the belief that the leading principles of the constitution and working of these mutual societies should be substantially the same in all countries.

§ 1. Administrative organisation.

It must be especially observed that as a rule the local mutual societies only undertake the risk of death of livestock and not the risk of slaughter. Insurance in case of death is intended to compensate the proprietor for the loss he has suffered if the animal has been killed, or rendered unfit through disease or accident for the purpose it had to serve ; but the risk of slaughter refers to the damage caused by the confiscation of the animal slaughtered, in obedience to laws respecting diseases in cattle. Insurance against this latter risk is clearly a much more recent thing than the first, and dates only from the time when the inspection of butchers' meat was made compulsory by law, and it is generally undertaken only by mutual associations of butchers, instituted for the purpose. The local mutual societies for insurance against death of livestock are regulated by the Imperial Law of May 12th., 1901 for the supervision of private enterprises of the kind; but small societies are exempted from many formalities required in the case of larger associations. By " small societies " must be understood those which, according to their regulations, have a sphere of action strictly limited either as to the risks they undertake and the locality in which they work, or as to the class of persons to which their members belong.

In Prussia, the greater number of societies for the insurance of cattle belongs to the category of " small societies", and they are therefore exempt from many formalities in regard to the publication of the transactions of the society and the constitution of a vigilance committee etc.

It is to their interest to be officially recognised by the Government as " small societies ", as thus they escape obligations imposed by the abovementioned law and by the Commercial Code on societies with a complex administration. They receive this recognition from the district administrations so that the supervision of the numerous local agricultural associations is wisely decentralised. Several imperative provisions of the imperial law as to insurance contracts, to which insurance policies of private enterprises must wholly or in part be made to conform, are not applicable to local mutual societies.

But for these the imperial office for the supervision of private insurance enterprises has drawn up a model code, taking into account the special

(1) See Fratzscher, Das örtliche Viehversicherungswesen im Königreich Preussen. Berlin Parey, 1914.

conditions under which they must work. The following particulars respecting this code are to be found in a publication by Dr. Fratzscher.

Admission to the society must be allowed to every owner of livestock domiciled within the district; as a rule none are excluded except wholesale dealers, butchers and those owners of livestock who are proved to be neglectful of their animals. A member may withdraw from the society by giving notice of his intention before the end of the current year, or he may be expelled if he persistently neglects to pay his premiums or commits some breach of rules that may be injurious to the interests of the society. Except in these cases the society has no right to expel any owner of cattle. In the case of the death of a member or of his transfer of all his insured livestock, his rights pass to his heir or to the purchaser, but the society may, however, cancel the contract as regards the latter within a month. The society is obliged to observe this term of one month, but a declaration of withdrawal on the part of a member is valid and takes effect immediately.

The *administration* of the society is in the hands of the board of management and the meeting of members. The board is elected for one or more years by the meeting of members and is composed of at least three but usually five or more members, of whom one is president, another cashier, a third secretary, and the others substitutes or assistants. To these are entrusted the judicial or extra-judicial representation of the society and the general management of its business; they decide in regard to the admission or expulsion of members, the keeping of the registers and accounts, the amounts of the premiums and compensations, the convocation of the members, and the investment of the funds. This board thus discharges all the functions which in large societies are entrusted to a committee of inspectors, that is to say it has the duty of examining the registers, the accounts and the business of the society. In these local societies it is comparatively easy for all the members to judge of the proceedings of the board and the difficulty of finding competent persons to place in official positions has to be taken into account. It is therefore better to concentrate all the powers tending to ensure the regular administration and good working of the society in the hands of a single board.

But, in addition to this board, the general meeting may select from among the members persons of experience to estimate the value of the livestock to be insured or the loss of which is to be compensated for. As a rule insured animals should be valued frequently by experts; horses and horned cattle should be valued quarterly or half yearly; pigs oftener, — once in every month or two months, because they are not insured according to value, but per head. (1) The experts will act gratuitously, having a claim only to the payment of their expenses incurred for the benefit of the society. According to the model code, the members of the board of management should not be paid; so that the working expenses and the members'

(1) See WEILANDT: Wie gründet und leitet man ein Viehversicherungsverein. — Sonder-Abdruck aüs dem Archiv des Deutschen Landwirtschaftsrat. Berlin, 1910.

premiums may be lower; exception is however made for the cashier, and the meeting of members, notwithstanding the code, often grants the members of the board year by year compensation for their services.

The *general meeting* of members is called within two months from the close of each financial year, to consider the balance sheet, to appoint the board of management and other officers and discuss every other matter on the agenda. A special meeting may however be called if required by the interests of the society or if written request has been made by a certain number of members (usually one-third or one-fourth, according to the society). Should this request not be conformed to by the Board within two weeks, appeal may be made to the authorities charged with the supervision of the society.

The provisions of art. 11 of the model code, intended to simplify as far as possible the working of the society, are worthy of notice. "The meeting of members is valid whatever be the number present; votes by proxy are not permitted, except for women and the incapable; otherwise each member has only one vote; he has none if through delay in paying premiums his claim to compensation in case of casualties has been suspended, or if the subject in question is his own affair or a question between him and the society." Questions between members and the society, for instance in regard to expulsion from membership or the amount of compensation, are decided by a council of arbitration of four persons elected annually by the meeting of members. In case of dispute, each side will appoint an arbitrator from among the four, and these two will choose a president not necessarily a member of the society. Against the decisions of the arbitrators appeal may be made to the law.

The office of supervision may prohibit the society from continuing its work, but its dissolution must be decided on at the general meeting. The dissolution must be approved by the majority of those present, three-fourths or two-thirds, according to the society. But it must be remembered that dissolution or proposed modifications of the code are not valid unless approved by the office of supervision.

In the case of dissolution, the general meeting appoints as liquidators the members of the board of management or persons not belonging to the society; if any funds remain, they are distributed among the members in proportion to the amount of premiums paid in the last few years; if there are debts, they must be paid by means of the exaction of supplementary premiums.

There are special rules respecting the *keeping of the registers* and as the importance of these in order to obtain accurate statistics as to livestock insurance is very great, it seems desirable to enumerate here the chief of them Some societies insure individual animals according to their value, others insure the species, taking account only of the number of head. In the first case, the society must keep a register of insurance, with a description of the animals insured (species, sex, race, colour, characteristics, age, defects, mark of the society stamped on the horn) with the date of insurance, the results of the valuation made within the year, the average annual

amount insured, the cause of accidents and the claims paid. If the animal is insured against risks through castration or other operations etc., note must be entered in the register. In the second case (insurance according to species, in use especially with regard to pigs), a special register must show for every member the number of animals insured, the date of insurance, the declared value, the characteristics of the species, the number of accidents, with the amount of compensation, and lastly the cause.

In the cash book the receipts must be specified according as they are provisional premiums, special premiums for accessory insurance (operations, castration, calving, foaling etc.) supplementary premiums, entrance fees, policy and stamp duty, profits from the sale of animals. The expenses must also be specified according as to whether they are paid as claims or as veterinary surgeons' fees or for the care of animals, or working expenses.

§ 2. Technical organisation.

The model rules suggested by the Imperial Office for inspection of insurance undertakings contain also the general conditions for policies which every local mutual society must adopt and which are calculated to produce a general uniformity in the technical working of these societies,. As is usual the conditions for policies in an insurance society may be divided into three groups ; selection of risks, payment of premiums and estimates of damages.

(*a*) *Selection of risks.* — Every member is obliged to insure all the animals of one species such as horned cattle, horses etc. which he possesses in the district in which the society works. He is also obliged to report any change in the number of animals insured ; if the number is increased, he must ask for a supplementary insurance. In case of loss, if all the animals have not been insured, the society is free of all obligation to compensate. The society is not obliged to compensate even for the animals reported, unless the member be able to show that it was not his fault that there was no supplementary insurance.

No animal may be insured if declared unsound by the judges ; no animal under suspicion of epidemic infection coming from stalls in which any case of contagion has been ascertained during the last six months ; and no animals which have not yet reached a given age, generally six months for horned cattle and for sheep, goats etc. from four to six weeks.

The two first exceptions are based on the necessity of preventive measures every mutual society must observe, and the third on the fact that the rate of mortality among very young animals is high, and hence the advisability of their having passed a certain age, as proof of their vitality, before they are insured. As Weilandt says, the number of casualties among old animals is also exceptionally high, and therefore many mutual societies limit the age for insurance, for instance to from 12 to 15 years for horses and horned cattle.

As already observed, insured animals must be examined by qualified experts and the value fixed by them will be the sum insured. And that this sum may correspond with the real value of the animal, the valuers are bound to make frequent inspection to confirm or rectify the first estimate. In the case of horses examination must be made twice a year, in the case of horned cattle four times and in the mutual societies for insurance of pigs and goats six or eight times.

The object of these frequent inspections is evident ; in the first place to insure that the animals are not valued above their worth, which might lead to abuses and the reporting of cases of slight damage ; in the second place to ensure the good feeding of the stock, proper care being taken of it and its employment in conformity with good, practical methods for preventing epidemic disease or reducing the damage caused thereby.

In some societies the amount assured is not calculated on the valuation but according to the age of the animals. The risk is limited, with a maximum amount fixed per animal, beyond which no compensation is guaranteed ; for horses the maximum limit varies from 1,000 to 1,800 marks, for horned cattle from 500 to 600 marks.

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(*b*) *Payment of premiums.* — The societies are maintained by the entrance fees of members and their annual contributions. Entrance fees are paid either only by new members on their admission or on each new animal insured. Under this second system, therefore, he who possesses most livestock pays the largest amount. As a rule, Weilandt says, these entrance fees vary according to the kind of animals insured ; and are for every horse from 3 to 5 marks, for each head of horned cattle from 2 to 3 marks, for every pig from ½ mark to 1 mark, and so on.

Likewise for the annual contributions or premiums there are two systems in vogue : in one, provisional premiums are required with the reserve, in case of need, of the exaction of supplementary premiums. The second is the system of levy. Under the first the premiums are paid once every six months, every three months or every month, according to the society : but, if at the end of the financial year the entrance fees have not been sufficient to cover the necessary expenses, it becomes necessary to ask for supplementary premiums, and all members are obliged to pay them in proportion to the amount of the provisional premiums. On the system of levy, the amount of the premiums to be paid is divided among the members after every loss or at the end of a fixed period, for instance, three months. Usually provisional premiums as well as levies are fixed according to the value insured. For pigs, however, they are calculated on the number insured, the same premium being paid whether the animal in question be large or small or of less or greater value. This system is employed because the value of pigs changes week by week and frequent valuations would be too costly. For all other animals, however, the

principle remains that the premiums must correspond with the value of the insurance, subject as already said, to frequent revision.

Generally the premiums required by the local mutual associations are less than those asked by the larger societies; they are in the case of horned cattle from 1 % to 2 % of the value insured, in that of horses from 2 % to 3 %, in that of pigs from 3 % to 4 %, and in that of goats from 4 % to 5 %. The amount of the premium depends on the locality in which the animal is kept, on the more or less favourable treatment it receives, on its state of health etc.

Weilandt wisely advises new societies to keep their premiums rather high, so as not from the very start to run the risk of a deficit and to be able to form a reserve fund. He also recommends a classification of risks according to the sex of the animals insured, and a higher tariff, specially for cows and heifers as they are subject to a higher mortality.

The larger insurance societies generally classify the risks for all descriptions of live stock according to the use to which they are destined; for instance horses, whether for carriage, saddle, farm or draught use. The local mutual societies, however, have no need for such distinctions, including, as they do, all risks in one single category. Classification of risks only serve them for the settlement of compensation and in any case classification is not made as to the destination of the animal but according to its age and value.

When premiums, whether provisional or supplementary, or levies, are not paid up when due, the society must request the defaulter to pay the amount within two weeks from date of the notice. If the debt then remains unpaid, the society is freed from any obligation for claims until the payment is made, and the expulsion of the member may even be considered. These conditions must be mentioned in the demand for payment, so that the defaulter may know the consequences of his conduct.

And it is to be observed that the Prussian model rules impose the formation of a *reserve fund* to meet special expenses, particularly in years when epidemic disease is prevalent. As a rule, it must amount to 100 % of the total of the annual premiums received, and as a society receives annually in premiums on an average 2 % on the values insured the reserve fund should at least amount to that proportion. The reserve fund should consist of the entrance fees, a given proportion of the annual premiums, as fixed by the rules (usually 5 %), the credit balance of the year's accounts and all other extraordinary revenue.

When the fund amounts to the due proportion of the insured value, the society is authorised to draw from it two-thirds of its amount to meet the ordinary expenses. The fund must be deposited at interest in a savings bank.

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(*c*) *Estimates of losses.* — In case of sickness or death of an insured animal, the member is obliged to notify the Presidential Office of the

Society, which in a case of sickness will decide as to the treatment or slaughter of the animal, and in case of death will estimate the value. Generally the expense of treatment is paid by the owner, but this is not always convenient; some of the mutual societies, therefore, undertake the whole expense or require the member to pay a portion; for instance, the society may pay the veterinary surgeon, while the member pays for the medicines and other expenses in connection with the treatment.

The larger societies are accustomed to fix a period before the society must satisfy claims; the object of this is to prevent insurance of sickly animals, in the hope of obtaining compensation for them. But in the local mutual societies in which the members are not only acquainted with each other but also with the state of each other's livestock etc. this prudent measure is not necessary, the rather as the inspection of the animals for purposes of insurance is made by valuers, who being themselves members are likewise interested in the prevention of epidemic disease.

With a view to incite members to take good care of their animals, and prevent accidents, compensation is seldom given in proportion of more than 65 % or 80 % of the loss incurred, that is of the value insured or estimated. In case of the slaughter of the animal, when the flesh is unfit for use, and the slaughter has been made by the society, the profit goes to the society; but if the animal be slaughtered by the owner on his own account the proceeds of the sale are deducted from the amount of compensation. Thus, as Fratzscher (1) says, the estimated value of a horse slaughtered on account of a broken limb may be 1,000 marks and the owner may obtain 100 marks by selling the flesh to the butcher and the rules of the society lay it down that the compensation in case either of the death or slaughter of the animal may not exceed 75 % of its estimated value; therefore, in the above case, the compensation paid by the society would be 75 % of the difference between 1,000 and 100 marks *i. e.* 675 marks.

The claim for compensation is less when the loss arises from epidemic diseases, when the member has a claim to compensation from the public authorities, if he has not transgressed the rules of veterinary police. We may see by this the strict relation between the regulations for the health of livestock and the agricultural mutual societies; an Imperial law of June 20th., 1909 and the executive regulations for the Kingdom of Prussia of May 1st., 1912 are very strict in regard to the reporting of contagious livestock diseases and contain a long series of regulations calculated to diminish the dangers of epidemic cattle diseases. They guarantee also, under certain conditions, to all owners of livestock attacked by such disease and confiscated, ample compensation from the State and from the Province. Losses caused by popular agitation are never compensated for, nor are losses resulting from orders of the military authorities in time of war, or after declaration of war, and no claim to compensation can be

(1) See "Landwirtschaftliche Versicherung", page 129 (Versicherungs-Bibliothek), Berlin, 1914, Mittler und Sohn.

made for losses due to fire or lightning as these risks are generally covered by insurance in other societies.

Should a member be guaranteed against unobserved defects in an animal insured, or should he have a right to compensation for damages against the person from whom he bought the animal, or other persons, he must cede these rights to the society in so far as it compensates him for loss : but the cession of the right must not be to the detriment of the member. If the guarantee be void through the fault of the member (for instance in not availing himself of it within the time limit prescribed by the Civil Code), the society is exempted from the obligation of compensating him inasmuch as it would have been able to re-imburse itself, by availing itself of the right.

For horned cattle, horses and goats, compensation is calculated on the value as estimated by the valuers at the time of the last inspection. But for pigs, it is often calculated on the weight of the animal, keeping in mind the ordinary prices on the local market at the time of the loss, for the value of pigs changes every week and an estimate some time previous to the loss would not be a sufficiently exact guide for deciding the amount due as compensation.

The compensation when fixed, must be paid immediately or with but a few days' delay.

The society is relieved from the obligation of compensating the member suffering a loss, as above said, when all his animals of the same species have not been insured in the society, and also in the following six cases detailed in the model code as under ;

(1) — if the member insuring has furnished inaccurate statements, in regard to the state of health of any animal and should it die in consequence of any ailment not declared, unless the inaccurate declaration were made without fault of the person insuring :

(2) — if the member or his servants or those employed by him have by intention or serious negligence caused the death of an animal confided to their care, (this rule is justified in consideration of the public interest in the protection of animals) :

(3) — if the member or his servants or employees subject an animal to serious ill-treatment, or neglect it or do not conform to the rules laid down by the Presidential Bureau of the society, or the veterinary surgeon or the valuer, unless this has occurred without the fault of the member or the loss be not the consequence of the ill-treatment or neglect of the directions ; (this rule in support of the authority of the veterinary surgeon or the valuer was made, Weilandt observes, not only for the benefit of the society, but also in the general interest, so that the livestock may be properly cared for) :

(4) — if the member has not immediately notified to the society the sickness of the animal unless it were unimportant or in the absence of due notification he can prove himself to be without blame :

(5) — if the member have not immediately notified the death of the animal :

(6) — if the animal die in consequence of an operation which was not necessary or if necessary was not performed by a veterinary surgeon.

Thus we see that the cases by which a member may lose his right to compensation are fixed with precision and without excessive rigour in the model code; and the wisdom of these rules is manifest when we remember that the risk depends to a great extent on the diligence of the insured member and how necessary it is to take every measure to check the advances of epidemic cattle diseases.

The chief obligation imposed on the insured person is to notify without delay any accident or sickness among his animals; some societies require also that notice be given to the veterinary surgeon when any doubt arises as to the state of health of the animal, but if the member has to do this at his own expense and risk he will delay as long as possible; it is therefore better that the society be responsible for the expense of the veterinary surgeon, making a special contract with him in which his duties and his fees are laid down.

§ 3. Statistics as to the development of local mutual societies in Prussia.

The Royal College of Agriculture of the Kingdom of Prussia has recently published detailed statistics as to the working of the local mutual livestock insurance societies in Prussia, and as the statistics pre-suppose good technical regulations for this branch of agricultural association, we shall here point out the system followed for reporting and collecting the data.

In the first place it must be observed that every mutual society is obliged within four weeks after its general meeting to send to the supervising authorities a copy of its annual report and balance sheet. Both report and balance sheet are generally compiled according to a plan drawn up by the office of supervision itself. The annual report must show the number of members at the beginning of the financial year, the number of new members, the number of those who have resigned or been expelled, also the number of head of livestock insured with the total amount of insurance for each species, the premiums paid, the supplementary premiums, how many head have met with accidents and the amount of compensation. It must be stated whether the compensation was all paid at once, or in what proportion to the estimated value, and the cause of the accident must be given etc. The profit and loss account sent with the report must be clearly drawn up distinguishing between provisional and supplementary premiums and showing the entrance fees, the profits from sale of slaughtered animals etc., and, among the expenses, the amounts paid as compensation, as veterinary fees, working-expenses etc. Besides this profit and loss account, the society must show the amount of its capital and the variations in its reserve fund.

There is no limit placed upon the number of members; from the above mentioned statistics it appears that there are local mutual societies which have from 20,000 to 30,000 members, and others with only from 20 to 40. Weilandt observes that the smaller the number of head of livestock the more necessary is insurance. A society with 100 head of cattle is in a position to obtain within a year sufficient compensation for risks: "Admitting that within a year the annual percentage of loss is for horned cattle 3 to 4, for horses 4 to 5, for pigs 8, for goats 6, the amount of the probable loss may be approximately ascertained. Even in bad years the losses may be doubled and covered by the means possessed by the society. The greater the number of cattle insured the greater is the probability that the losses in the various years will be the same. Experience has shown that in societies having less than 100 head of cattle the difference in the number of accidents in different years is very perceptible; sometimes the losses amount to three times the average, and sometimes they are less than one-fourth of the average. In a society insuring from 200 to 300 head of cattle the differences are less perceptible; on the other hand in a society insuring from 500 to 1,000, the result is not as favourable as might be supposed."

For a society insuring only one kind of animal, with 300 head there is a greater equilibrium of risks. Weilandt also, observes that in a large society officers must be more highly paid and the working expenses increased: the work of valuing and of supervising becomes more complex and costly and the premiums must rise in proportion. It is therefore better to constitute a small society even with only 50 head of cattle all of the same neighbourhood, than to constitute a large society with 1,000 head of cattle scattered over a large district or province.

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The Office of Statistics of the Kingdom of Prussia publishes every year the results of the census of livestock; thus in April of the current year particulars of the census of 1914 were published, but, as the statistics of the local mutual insurance companies are for the year 1912, we shall give here, quoting from the publication of Dr. Fratzscher, the data for that year. According to the census of December 2nd., 1912, in the 12 provinces of the Kingdom of Prussia there were in all 3,090,192 horses (exclusive of those required for military purposes), 11,817,553 head of horned cattle, 15,448,517 pigs, and 2,097,897 goats. The value of the horses (exclusive of those for military purposes) was calculated at 2,164,300,000 marks, that of the horned cattle at 4,093,500,000 mks., that of the pigs at 1,176,600,000 mks. and that of the goats at 50,600,000 mks. giving thus a total value of 7,485,000,000 marks.

Livestock improvement was carried on chiefly by small farmers or proprietors of average sized farms who, it is well known, have more need than large landowners to have recourse to insurance.

Considering that calves, foals, lambs and young pigs are seldom insured, Fratzscher maintains that the total value of animals liable to be insured in the Kingdom of Prussia is about 5,000,000,000 marks. He calculated

that in the large societies of the Kingdom a value of from 100,000,000 to 120,000,000 mks. is insured while in the local mutual societies in 1912 the value insured was more than 448,000,000 marks, that is about four times as much.

The statistics of local mutual societies have been compiled from the replies to lists of questions sent to all the presidents of societies for insurance against death of livestock; setting aside societies for insurance against risks of slaughter, the provincial and district administrations were expected to see that the statistics should be reported in a uniform manner, and, according to the rules laid down by a commission appointed for the purpose.

The following table shows the statistics collected by the census for all the 12 provinces.

Development of Local Mutual Societies

N°	Provinces	Number of Societies		System of Collecting Premiums				Number of Members	Horses
				Provisional Premiums		Levies			
				Calculated in proportion to					
		Total	Legally Constituted	Amount Insured	Head of Livestock	Amount Insured	Head of Livestock		
1	East-Prussia . . .	102	38	78	8	14	2	9,021	—
2	West-Prussia. . .	11	8	5	3	2	1	2,345	94
3	Brandenburg . . .	419	189	52	269	58	40	68,688	2,792
4	Pomerania	166	86	31	93	21	21	25,980	479
5	Posen	2	2	1	—	1	—	21	—
6	Silesia	33	26	6	11	4	12	2,861	—
7	Saxony	642	338	223	333	53	33	119,546	22,233
8	Schleswig-Holstein	752	112	112	230	373	37	80,782	74,306
9	Hanover	1,947	834	490	539	735	183	164,290	37,983
10	Westphalia. . . .	1,321	483	498	377	395	51	132.025	10,310
11	Hesse-Nassau . .	1,013	346	700	97	210	6	81,668	11,803
12	Rhine-Province .	1,526	597	1,131	179	204	12	119,869	27,571
	Total . . .	7,934	3,059	3,327	2,139	2,070	398	807,096	187,571

As shown in the table the number of mutual societies varies according to provinces, from a minimum of 2 in the province of Posen to a maximum of 1,947 in Hanover, but even in the same province there are great differences

between societies as regards the number of members and the number of head of livestock insured. Thus, for instance, in East Prussia the mutual society of Heiligenteil has 30 members with 39 head of horned cattle, while that of Heilberg has 2,390 members with 3,010 head of horned cattle; in West Prussia the mutual society of Marienwerder has 36 members with 50 head of horned cattle and that of Angermünde has 7,713 members with, 79 horses, 204 head of horned cattle, 26,357 pigs, and 7 goats; in Hanover the mutual society of the city of Emden has 58 members with 305 head of horned cattle, and that of Lüneberg has 31,419 members with 13,918 horses, 29,707 head of horned cattle, 61,458 pigs, 370 goats etc.

As already stated, the legally constituted mutual societies are those which are regulated by the Imperial Law of May 12th., 1901, relating to the

n the Kingdom of Prussia in 1912.

Number of Animals Insured				Amount Assured	Premiums Collected	Compensation Paid	Working Expenses	Capital (Reserve Fund)
Horned Cattle	Pigs	Goats	Total	marks	marks	marks	marks	
13,570	—	—	13,570	2,930,705	38,341	40,200	4,173	26,496
2,279	6,726	—	9,099	1,132,342	25,051	40,214	3,662	21,966
19,512	171,425	1,326	195,050	16,659,539	555,286	498,132	87,967	754,843
10,507	40,977	—	51,963	5,224,909	153,080	153,875	18,331	185,337
191	—	—	191	53,684	316	122	38	200
8,624	1,632	—	10,256	2,089,978	17,594	19,712	1,715	23,439
47,358	218,637	9,705	297,933	46,290,489	1,240,304	1,238,931	118,301	1,344,271
53,905	175,316	1,106	304,633	70,367,634	1,754,686	1,782,782	73,712	245,834
176,143	408,884	6.955	629,965	96,992,190	1,988,178	2,029,229	115,128	970,892
140,003	148,850	8,299	307,462	55,874,616	1,234,847	1,274,670	99,355	1,003,116
172,293	73,811	11,957	269,864	64,485,501	1,158,238	1,194,934	76,947	954,906
195,596	69,842	9,995	302,964	85,916,505	1,838,755	2,071,129	134,751	1,186,233
839,941	1,316,100	49,338	2,392,950	448,018,090	9,984,688	10,343,830	734,080	6,717,523

supervision of private insurance societies, and by this law authorised to transact business throughout the Kingdom; those not legally constituted are those which were working before 1901 and have not yet adapted their

rules to the provisions of the law. These societies are, however, like the others, subject to the control of the special government offices.

This table also shows how much more widely diffused is the system of collecting provisional premiums with the reserve of recourse to supplementary premiums in exceptional cases, than that of levies. Of 7,934 societies, 5,466 have adopted the first system, and only 2,468 the second. More than half of the animals insured are pigs, and more than one third are horned cattle; the number of horses and goats is much smaller. Fratzscher observes that, according to the results of the census of cattle of December 2nd., 1912, the number of horses insured in the local mutual societies is 6.1 % of the whole number of animals included in the census, the number of horned cattle is 7.1 %, of pigs 8.5 %, and of goats 2.3 %.

The whole amount of the value insured is, according to the table, 448,018,090 marks, which is, as already observed, about 4 times the value insured in the large societies, but taking large and small together it will be seen that only about one-tenth of all the livestock included in the census is insured. This shows, adds Fratzscher, how much remains to be done in order that livestock insurance may be known and appreciated by all agriculturists.

In 1912 the premiums amounted to 9,984,668 marks, and the compensations to 10,343,830 marks; with regard to this, Fratzscher observes that in the insurance of livestock the outlay in compensation often exceeds the amount of the premiums, because another important source of income for the society is the profit from the sale of slaughtered animals that have become its property. But as many local societies usually leave to the policy holder the profit from the sale of the slaughtered animal, subtracting the amount from the compensation, statistics cannot usually supply data as to the proceeds from such sale.

The working expenses, amounting to 734,084 marks, are 7.4 per cent of the premiums collected, a proportion far inferior to that in large societies. Lastly, the capital of 6,717,523 marks is generally invested in savings banks and local credit institutions.

§ 4. Reinsurance in local mutual societies.

We have already pointed out the advantages to be derived by agriculturists from the development of local mutual livestock insurance societies; by reducing the cost of administration to a minimum the tariff of premiums may also be reduced, while this form of association is adapted for the verification of risks, and the prevention of epidemic cattle diseases, and also for the checking of fraud. But, since local mutual societies generally work within narrow limits, it becomes difficult for them in years when losses are exceptionally frequent to exact from their members premiums high enough to cover all losses. The loss caused by epidemic thrush and

anthrax need only be considered, and the difficulty of enforcing special sanitary measures against the diffusion of these diseases.

To meet still more serious and exceptional losses the mutual societies of one district or province ought to form a federation in order that the risks may be distributed among a larger number of persons in conformity with the general principle of insurance that the probability of an event is more easily to be determined the greater the number of those exposed to the risk. Thus if a single mutual society intends to extend its business over a large tract of territory it will encounter a difficulty, namely that the verification of risks will be difficult and costly and it will therefore be necessary to raise the tariff, so that if the premiums are to be kept low the only resource will be re-insurance.

Mutual societies generally reinsure one another reciprocally, constituting a federation, to which each society cedes a proportion of its risks (proportional reinsurance) or cedes those risks which exceed a given sum (re-insurance of excess). In Prussia, there is an example of the second system in the mutual society for reinsurance at Treves in the Rhine Province.

In the district of Treves, where 13 local mutual societies are now working, a federation for the purpose of reinsurance has existed since 1885. Each society must require from its members a single premium of 2 % of the sum insured for horned cattle and 5 % of that for goats. When the premiums are paid, the society must pay to the Federation 15 pfennigs for every mark which, in the case of horned cattle, is in the proportion of 0.3 % of the value assured and in the case of goats of 0.75 %. If the society is unable to meet its losses with the means at its disposal, after having paid its contribution to the Federation, the latter must pay the balance of claims which the society is unable to. But those societies which from their first joining the federation have received in all a sum in compensation greater than that which they have paid in premiums have a right to assistance from the federation only up to the amount of half the compensation remaining to be paid, and for the other half they must exact supplementary premiums from their members. The federation must also form a reserve fund amounting to at least 0.1 % of the whole sum insured in the federated societies ; when, in the course of the financial year, this proportion diminishes, the Federation is authorised to demand from each society the payment of supplementary premiums. As we have seen, the Federation of Treves has adopted the system of reinsurance of excess ; a system to which however there is this objection that the local societies have no interest in preventing losses which exceed what is called the " full risk " if the excess is only to be charged to the Federation.

In Prussian Saxony the Chamber of Agriculture has created a form of clearing house for premiums among the 43 mutual societies of the province. From the balance sheets of each society, a calculation is made of the losses of the last five years, and the average premium required to cover them ; the society binds itself to collect from its members in the next five years prem-

iums equal to this average, paying one-fifth to the Federation, and endeavouring with the rest to cover all the losses up to a certain proportion previously fixed. The losses in excess of this proportion will be compensated by the Federation. For each society the Federation keeps a separate account on the credit side of which are entered all the premiums paid, and on the debit side all the claims paid; the accounts are closed every five years and the debit or credit balance carried forward to the next period of five years during which an effort must be made to balance the account by increasing or diminishing the tariff of premiums. By this system the societies avoid for at least five years any sudden changes in the tariff, which arouse discontent among insurers, and check the development of insurance.

Fratzscher observes that also to this system there is the objection that compensation for losses can be given only if the number of societies that close their accounts with a profit is in a certain proportion to those in less favourable condition ; should all the societies in the same year meet with serious losses the Federation would not have means to compensate all. On the other hand, the system of proportional reinsurance adopted by the mutual societies of the Grand Duchy of Baden and the Kingdom of Bavaria according to which the societies first pay to the Federation a proportion of the risks, does not prevent perceptible differences between one year and another in the need for increased premiums in single societies.

The mutual societies of Brandenburg, Silesia and East Prussia have therefore recently adopted a combined system of proportional reinsurance and reinsurance of excess, by which the Federation does not assume a share of all the risks, nor the excess above a certain sum, but only a share of that excess. Thus the society bears the risks of ordinary years alone, ceding to the Federation a part of its exceptional risks; the percentage of risks assumed by the Federation is in Brandenburg $^2/_3$ rds., in Silesia $^3/_4$ ths. and in East Prussia $^4/_5$ ths. As a rule losses are considered exceptional when they exceed 80 % of the average of the previous years. By carefully determining the average, the societies are in a position to fix tariffs of suitable premiums that may be applied without variation for several years with great advantage to the members and to the development of the society.

Lastly, the Federation does not prevent societies from retaining their administrative independence ; as Fratzscher remarks, the rules of federated societies may differ ; one society compensates for losses up to 60 % of the insured value, another up to 80 %, some undertake risks during pregnancy, others charge themselves with the fees of the veterinary surgeon etc. ; but these differences are appreciable, when the average loss and the amount of the premiums paid for risks are determined. It is however certain that the Federation does not limit itself to reinsurance, but it endeavours to perfect the technique of single societies, to improve their administrative and financial organisation, and to promote the constitution of new mutual societies. The larger agricultural associations of Prussia have encouraged the development of these federations, because they see that their work is efficacious in promoting livestock improvement, and that efforts to check

infectious diseases in animals can only be efficiently made when the subject is studied not only from a sanitary but from an economical point of view. To diminish mortality in cattle, quarantine regulations are not sufficient nor yet declarations of infected districts, nor disinfection of infected stalls or pasture grounds, nor sanitary certificates ; continuous and assiduous preventive action must be vigilantly carried on and this can alone be done by local mutual insurance societies.

BELGIUM.

THE WORK OF THE INSURANCE SECTION OF THE BOERENBOND (PEASANTS' LEAGUE) IN 1913.

SOURCES :

SIXIÈME SECTION CENTRALE DU BOERENBOND OU LIGUE DES PAYSANS : ASSURANCE CONTRE L'INCENDIE ET LA GRÊLE ET SUR LA VIE ; ASSURANCES MUTUELLES. D'après le Rapport du Boerenbond belge, exercice 1913, présenté à l'assemblée générale du 1er juin 1914 par le Chanoine E. Luytgaerens, S. Th. B., Secrétaire général. (*Sixth Central Section of the Boerenbond or Peasants' League : Insurance against Fire and Hail and Life Insurance ; Mutual Insurance Societies. According to the Report of the Belgian Boerenbond, 1913, presented to the General Meeting on June 1st., 1914, by Canon E. Luytgaerens, S. Th. B., General Secretary.*)

The *Boerenbond,* with which we have dealt in the present number of this Bulletin in the Part devoted to Co-operation and Association has also a section for fire, livestock, hail and life insurance. We shall give here, a short account of the work of this section In 1913, to complete our notice of the other sections of this association.

§ 1. FIRE INSURANCE.

In 1913 the branch dealing with fire insurance developed notably; 3,815 policies were issued and 1,361 were modified. The net result for the year, after deducting cancelled policies, amounted to 1,188 contracts for insurance for 26,590,801 francs, the largest amount of business done since the service was started.

The premiums paid during the year amounted to 165,197 frs., to which 7,174 francs must be added for cost of policies.

It is noteworthy that whilst in previous years the average annual increase in policies amounted to about 8,000 francs, in 1913 the increase from the figure for 1912 exceeded 17,000 francs.

During this same year, 110 claims for 45,081 francs, or 27 per cent of the premiums, were paid off; this is the lowest percentage hitherto registered.

These satisfactory results are due to the reorganisation of the local agencies, and to the establishment of an inspectorate for the control of policies, the estimation of losses, and the payment of claims.

Nevertheless, the policy-holders, in spite of the fact that they pay 25 to 45 % less than the ordinary insurance rates, are not yet very numerous, being only about 10,000 of the 54,000 members of the *Boerenbond*.

The above particulars refer to 1913. For the previous years the reader can consult the following tables which give an idea of the growth of this section :

TABLE I. — *Long Term Insurance : Buildings, inclusive of Accessories.*

Year	Since Foundation		Current Year	
	Number of Policies	Amounts Insured	Net Premiums	Claims Paid
		Fr.	Fr.	Fr.
1893	153	726,562	415.74	—
1897	2,074	13,543,885	15,922.13	16,913.65
1902	9,691	53,723,573	56,276.56	37,445.51
1907	16,118	104,463,440	88,558.20	61,361.55
1912	25,874	219,422,684	148.062,92	53,653.72
1913	29,589	271,585,404	165,197.00	45,081.39

We shall now give the figures for short term insurance :

TABLE II. — *Short Term Insurance : Straw and Haystacks, etc.*

Yeas	Number of Polices	Insured Capital
		fr.
1900	471	450,116
1904	504	494,202
1908	529	666,763
1912	575	784,293
1913	614	1,079,909

Lastly, mention must be made of the Central Institution for Mutual Fire Insurance. This is not an institution for reinsuring, but it undertakes to invest the funds of the affiliated mutual insurance societies, to secure them credits and more especially to supervise their management and accounts. At the close of 1913, nine mutual societies were affiliated to it. None of these affiliated societies required to open credits ; on the contrary, almost all of them closed their accounts with a surplus.

§ 2. Insurance of live-stock.

The insurance of live-stock is carried on in Belgium, as in most other countries, by mutual societies, here regulated by the act of June 23rd., 1894. In our Bulletin for May, 1913, we dealt with the various kinds of mutual societies for insuring live-stock, and we shall not here repeat what was then said. In that article we stated that the small mutual societies formed in rural communes have felt the need of centralising in provincial federations for the purpose of forming institutions for reinsurance to facilitate the payment of claims, re-establishing the equilibrium between those centres which have been more heavily affected and those which have been less so, by notably enlarging the number of risks dealt with. These reinsurance federations secure the funds for their work by means of subscriptions received from the federated societies, and with the assistance of the provinces and the Government. They indemnify the societies for a certain proportion of the losses sustained by their members.

The following are the data available in connection with the reinsurance institutes in the provinces of Brabant, Limbourg, and Antwerp :

Province of Brabant: (a) *Federation for the Reinsurance of Horned Cattle.* — At the close of 1913, 110 local societies were affiliated to this Federation. They reinsured 26,979 head of livestock for the sum of 10,445,109 francs.

The Federation paid 885 claims for 42,189.85 francs. The premiums received amounted to 31,804 francs.

The following table gives some particulars on the growth of this Federation :

Table III. — *Growth of the Federation of Brabant.*

Years	Number of Animals Insured	Number of Claims	Number of Claims %	Insured Value Fr.	Premiums Paid Fr.	Claims Paid Fr.	% of the Claim Paid Reinsured
1898	10,166	344	3.38	3,095,914	4,548.61	9,163.31	0.29
1901	16,170	621	3.84	4,954,005	14.800.34	30,316.24	0.61
1905	23,113	747	3.18	7,653,460	22,740.86	31,637.20	0.41
1909	25,224	838	3.32	8,877,322	26,865.90	39,117.55	0.44
1912	26,584	818	3.00	10,055,520	30,334.14	40,375.90	0.40
1913	26,979	885	3.20	10,445,109	31,804.51	42,189.85	0.40

The Federation of Brabant receives annually from the affiliated societies a fixed premium of 3 francs for every 1,000 francs reinsured, and makes them a grant on claims equivalent to 30 per cent of the net loss.

(b) *Federation for the Reinsurance of Horses.* — On December 31st., 1913, there were 49 affiliated societies, which had reinsured 8,229 horses for 8,687,486 francs. The value of the premiums received amounted to 42,010 francs and the number of claims to 267 (3.23 %), for a value of 216,400 francs. The Institute for Reinsurance paid 63,800 francs in claims.

An enquiry made by the Federation into the causes of the death of the 267 horses showed that the most frequent causes of death are colic (33.7 %), enteritis (7.1 %), nervous lesions (7.4 %) and chest diseases (6.3 %).

The 8,229 horses reinsured as above fall into three age categories: the first including 3,361 horses (40,8 %) under 4 years of age; the second including 2,647 (32.1 %) from 4 to 10 years of age; and the third including 2,221 horses (27.1 %) over 10 years of age. Of the 267 horses that died during 1913, 66 (24.7 % of the claims) belonged to the first category; 86 (32.2 %) to the second, and 115 (43.1 %) to the third.

Province of Limbourg: (a) *Federation for the Reinsurance of Horned Cattle.* — 165 local mutual insurance societies belonged to this federation at the close of the last business year. They had insured 51,584 head for 20,172,355 francs. The Federation had to pay off 1,211 claims, for 477,545 francs; it contributed for this purpose the sum of 68,541 francs, equivalent to 30 % of the net loss.

(b) *Federation for the Reinsurance of Horses.* — At the date referred to, the St. Isidore Reinsurance Institute grouped together 31 societies, reinsuring 4,923 horses for 4,512,000 francs. It paid a sum of 53,817 francs on 208 claims, representing a total of 183,175 francs. The net loss amounted to 161,453 francs.

Province of Antwerp: (a) *Free Federation for the Reinsurance of Livestock.* — We have the following data on this federation at the close of 1913: affiliated societies, 67; head of livestock reinsured 23,982; claims entered 849; claims paid 50,261 francs. The balance-sheet showed a surplus of 17,376 francs, which brought the reserve fund up to 52,274 francs.

(b) *Free Federation for the Reinsurance of Goats and Sheep.* — Affiliated societies, 46; animals reinsured 6,245, estimated value 126,740 francs; claims paid 2,400 francs (on 395 claims) in the case of livestock insured for 7,950 francs.

§ 3. Hail insurance.

This branch of insurance is still in its infancy. As the *Boerenbond* was not in a position to take the initiative in founding a special institution for hail insurance for its members, it made an arrangement with a limited liability company, "La Confiance", one of the oldest and soundest French

companies, and secured from it special rates. On December 31st., 1913, 160 policies had already been taken out for an insured capital of 339,544 francs, with annual premiums amounting to 3,458 francs. The claims paid amounted to 1,813 francs.

§ 4. Life insurance.

On December 31st., 1913, 53 life insurance policies had been taken out for an insured amount of 820,500 francs. The net premiums amounted to 28,375 francs.

The propaganda of the Boerenbond in favour of this form of insurance is now carried on essentially in the country districts.

Part III: Credit

FRANCE.

ORGANISATION AND WORK OF THE REAL ESTATE CREDIT SOCIETIES *(Continued)*.

Now that we are acquainted with the laws of 1908 and 1912, we may consider the system of working of the Real Estate Credit Societies, the most important part of the subject.

§ 1. Formation of capital.

(A) *Private Individuals.* — Generally some man of consideration, availing himself of his personal influence, heads the movement, and endeavours to recruit shareholders. As we have already shown, a society of this nature may be founded with a capital of 100,000 francs ; while it is sufficient if a quarter of this sum, that is 25,000 frs., be paid up. The provisional committee then sends to persons likely to join the new undertaking a form to be filled in, on which they must show the number of shares they will take.

The total amount of the capital required by the rules must be subscribed.

(B) *Savings Banks.* — Not only private individuals but public bodies also give pecuniary support. This support is so important that we must give the subject special consideration. Amongst such bodies, we include savings banks, benevolent societies, asylums, hospitals, and communes.

These various administrations share in the formation of the capital on the same terms as private individuals, with this difference, that the shares

subscribed by private persons need be paid up only to a quarter of their amount while those of collective bodies must be fully paid up.

Savings Banks may lend to the societies or subscribe shares or bonds. For the validity of the subscriptions agreements must be made between the banks and the society, formally establishing that the funds can not be affected in any way except by transactions for the benefit of persons fulfilling the conditions laid down in Art. 3 of the law of April 10th., 1908 amended by that of February 26th., 1912 (possession of a fifth of the purchase money, existence of a contract of insurance and a government certificate). The Savings Banks may devote to this purpose the half of their own capital: but the amount of these investments added to the net value of the mortgaged land must not exceed 70 % of the above mentioned capital.

The conditions of working of the credit societies, furnish every security for these investments. The difference between the rate of interest of 2 % required by the State on its advances and the rate of from 2 ½ % to 3 ½ % paid by the borrower will cover all the working expenses of the Society. The Savings banks may therefore fearlessly contribute to form the capital of the credit society.

It is even their interest to do so: they can make private mortgage loans under the same conditions as the credit societies, that is at 3 %. But it seems preferable that they should devote their available funds to the purchase of shares in real estate credit societies rather than employ them in private loans. M. Lardeur-Becquerel has demonstrated this in making a comparison between the investment of 66,666.66 frs., by a bank in private mortgage loans and the same sum in subscription of two-thirds of the share capital of a real estate credit society.

Invested in private mortgage loans at 3 %, the sum of 66,666.66 frs. would yield 2,000 frs., scarcely allowing of 12 loans of 5,000 frs. each when the bank spends a fraction of the sum in advances of single life insurance premiums for the security of the loans. The cost of investigations and of the administration of the loans would have to be borne by the bank.

On the other hand, 66,666.66 frs. invested in a Credit Society having a share capital of 100,000 frs. will yield 2,000 frs, and will allow of 70 loans of 5,000 frs. guaranteed by life insurance, the single premium for which is advanced by the society. The operations of the society, under these conditions, after payment of a dividend of 3 %, will leave a net profit to the bank or private persons of 4,011.25 frs., which will serve to pay the cost of investigations and that of administration, and to form a reserve fund.

Thus in giving the support of 66,666 frs. to a Society, the bank will give it vitality; with the assistance of some private individuals the capital will be formed, and this, when invested, will yield interest and enable the Society to obtain a loan from the State of 402,500 frs.

We see that, with a fixed capital, a bank can grant only a limited number of mortgage loans, whilst a Credit Society with the same sum can make a considerably larger number of private loans. It is therefore evident that

in this way the savings banks have found a field of action which, while much more interesting, is at the same time much more profitable from the point of view of the bank, than the simple granting of mortgage loans to individuals.

It is always difficult for the founders of these societies to find the necessary capital, and not less difficult is it to pay for offices, at the start; one savings bank, by placing its rooms at the disposal of a society in formation and letting one of its employees act as clerk, considerably reduced the general expenses of the new society. We may say with M. Georges Risler, that the establishment in any locality of a credit society depends almost always on the attitude taken by the board of directors of a savings bank. The difference of 1 % in the rate between the money lent and that received by the society should be sufficient to pay the working expenses but only when a considerable number of loans has already been made ; 300,000 frs. of capital lent to borrowers will bear interest to the amount of 3,000 frs. It is evident that in the first year of a new society its income will be quite insufficient, but, as the number of loans increases, the situation will be quite different.

The savings banks show more and more anxiety to subscribe to the formation of the capital of existing real estate credit societies, and to encourage the formation of other societies. At the beginning of 1913 this had been done by the banks of Besançon, Bordeaux, Dijon, Libourne, Amiens, Rheims, Boulogne-sur-Mer, Saint-Omer, Charleville, Voiron, Romans, Valence, Grenoble, Marseilles, Angoulême, Vienne, Coulommiers, Maubeuge, Nogent-sur-Seine, Blois and Saint-Dié ; followed by the banks of Alais, Avignon, Nevers, Cambrai, Orange, Lunéville, Paris, Montpellier, Perpignan, Pont-à-Mousson, Rennes, Roubaix, Sens and Valenciennes.

Some of the banks in this list deserve special notice; at Lyons the bank itself founded the " Société Lyonnaise de Crédit Immobilier " and took shares to the value of 100,000 frs., gave it office room in its premises and gratuitously took charge of its accounts and of its management. A dozen other banks at once followed its example. At Besançon a real estate credit society was founded by the savings bank ; it subscribed the capital to the extent of 33,500 frs., and induced various asylums and benevolent institutions to join the undertaking. The savings bank of Bordeaux in 1910 lent 27,500 frs. worth of bonds at 3.25 %, thus enabling the Bordelaise-Society to subscribe shares, to the amount of 110,000 frs. in the credit society in course of formation. At Dijon the capital of the real estate credit society was formed in part by the savings bank which took paid up shares to the value of 50,000 frs. At Amiens, the Savings Bank completed the capital of the Credit Society with 50,000 frs. At Paris, the Savings Bank gave premises to the Credit Society as also did the banks at Coulommiers, Blois, Rheims, Grenoble, Vienne, Nogent-sur-Seine, Sens, Valenciennes, Alais, Nevers, and Voiron.

The sums invested by the savings banks to form the capital of several real estate credit societies may be estimated altogether at about a million frs.

(C) *Public Benevolent Institutions.* — Charitable and benevolent institutions, asylums, hospitals etc. may appropriate to the work of providing cheap dwellings, and consequently to the establishment of real estate credit societies, a sum equal to 2/5ths. of the available portion of their capital.

Certain formalities are required for such appropriation. Savings banks have no need for any authorisation for such transactions, but public benevolent institutions must be authorised by the Prefect. Shares taken must be entirely paid up, and their total value must not exceed 2/3rds. of the share capital of the society to which they give support.

Amongst the shareholders in real estate credit societies, the charity bureau and asylums of Besançon and of Sens, the charity bureau of Bordeaux and the asylums of Dijon, Nancy, Valence, Boulogne-sur-Mer and St. Etienne must be mentioned. At Besançon in 1912 the Government Asylum Commission subscribed 67 shares of 500 frs. each in the "Besançon Real Estate Credit and Small Holdings Encouragement Society" of that city, and the charity bureau likewise took 61 shares in the same society.

At Nancy, the asylums aided in the establishment of the real estate credit society of Meurthe-et-Moselle by taking 60 shares. At Dijon the hospital contributed 20,000 frs.

(D) *Communes and Departments.* — These may take bonds or shares on the condition of their being fully paid up, and not exceeding the total value of 2/3rds. of the share capital. The approval of the Labour Minister is necessary after that of the Permanent Committee of the Superior Council for Cheap Dwelling Houses.

Communes and departments may guarantee even up to the maximum of 3 % interest on the bonds of these societies, and also guarantee for twenty years, at most the dividends on their shares. Later, when the Society is working, loans of funds and the subscription of bonds will be permitted to them.

At Rouen the municipal council decided on April 27th., 1912 to take part in the founding of a real estate credit society by subscribing 500 shares of 500 frs. each. That of Lille followed, on March 18th., 1913, in the same steps, subscribing 400,000 frs. worth of shares.

The department of Pyrénées-Orientales took 10 shares of 100 frs. per share in the real estate credit society; Calvados took 1,000 shares of 100 frs. each in the real estate credit society of Caen. As to the departments that guarantee, we may mention the department of Nord guarantee for the societies of Lille, Maubeuge, Dunkerque and Douai, and the department of Pas-de-Calais for the society of Arras, those of Somme and finally of Seine for the Central Society and the Society of the Ile-de-France.

§ 2. Formalities in connection with the constitution of a society.

Let us suppose that capital has been found for a real estate credit society. The 25,000 francs have been paid and the rest subscribed; still important formalities remain to be completed.

First of all the founders in a preliminary meeting draw up and consider the rules to be adopted. On the advice of the Superior Council for Cheap Dwellings, the Labour Minister has drawn up model rules which are being increasingly adopted by societies in formation which profit by previous experience and apply rules which are the result of practical studies.

In the rules the object of the society must be clearly defined:

" To enable borrowers fulfilling the conditions laid down by the law of April 10th., 1908, and amended by that of February 26th., 1912, to contract individual mortgage loans for the purchase of fields or gardens under the law or for the purchase or erection of private houses at small cost and to make advances to societies authorised by the law to contract loans ". The amount of the share capital shall be fixed, as well as the interest on loans or advances. Provision shall be made in regard to ownership of shares, the investment of available funds, the formation of a Board of Management, and its powers, the general meetings, and the dissolution of the society.

Of these rules four copies must be made on unstamped paper, and signed by the founders, one for the society, one for its notary, and the other two to be placed in the record offices of the tribunal of commerce and of the justice of the peace.

The entire subscription of the capital, and the compulsory payments must be proved in the presence of a notary.

Three copies, signed by a notary, must be made and consigned to the society and to the record offices of the tribunal of commerce and of the justice of the peace for the formalities of publication, after which the General Meeting may be called.

In this first and very important meeting the Managers and Committee of Supervision must be appointed, and the rules must be approved. The managers must each possess shares to the amount at least of 500 francs; their functions which refer to the management and administration of the society are very extensive and all gratuitous. The committee of supervision must see that the rules of the society are carried out; it audits the accounts and makes an annual report to the general meeting.

But by these arrangements alone the society is not fully constituted; publication is necessary. This formality consists in the registration of the report of the Meeting, the deposit at the offices of the tribunal of commerce and the justice of the peace (together with the copies of deeds above mentioned) of the list of shareholders, and the publication in a journal of legal information of an extract from the rules and documents. No other publication is required unless an appeal has been made to the public to take shares.

Nothing remains but to obtain from the Labour Minister his approval of the society; a request may be sent to him for consideration before other formalities are complete, as soon as the rules are adopted, but approval can not be given till after the society is constituted.

The approval is given in the form of a decree after consultation with the Finance Minister and the Superior Council for Cheap Dwelling Houses

It must be added that all the documents required for the constitution of the society are exempted from stamp duty and they are registered gratis even before the approval of the Labour Minister is given ; they may be written on unstamped paper ; the shares and bonds are also exempt from stamp duty and license and income tax ; they only pay $^3/_4$% transfer duty and the certificates must be entered in a counterfoil register.

The society is definitely constituted after the approval of its rules.

§ 3. The society in its relation to the state.

As soon as the rules have been approved, nearly the whole of the capital paid by the shareholders is lodged in the Deposit and Consignment Bank, by which it is invested in Government securities and in railway bonds. Thus this capital yields interest from the beginning at 3 ½% ensuring a sufficient income to the shareholders on the funds advanced by them even before any loan has been granted. The certificates must be lodged in the bank, and serve as a guarantee for advances made by the State.

The Deposit and Consignment Bank accepts the available funds of real estate credit societies as well as the Government and other securities belonging to them. A deposit account is therefore opened, and interest at the rate of 1 % per ann. paid on the deposits. The credit societies may only deposit Government revenue securities or Government guaranteed railway shares and bonds. The general cashier of the bank receives the amounts in arrear and interest. One observation must be made as regards the withdrawal of money ; the loans granted by the State will be according to the amount of the funds deposited, and therefore withdrawal can only be authorrised as far as the amount borrowed by the society will permit.

This is the guarantee on which the State relies when it grants advances to credit societies. To protect itself against risk the State requires that these loans should be secured in three ways, by the share capital of the societies, the value of the landed property on which the mortgage loans are guaranteed, and the borrowers' life insurance policies.

We have already indicated the bases of these guarantees in our summary of the law and its modifications ; so we now pass on rapidly.

A society desiring a first advance from the State at 2 % must send to the director of the deposit and consignment bank a request, together with the following documents, — two copies of the rules of the society with a statement of the ministerial approval, a list of the members of the Board of Management and of the Committee of Supervision, a list of the subscribers with the amount paid and the number of shares possessed by each, the balance sheets for the last three years with the reports of the general meetings at which they were drawn up, a detailed statement of revenue and expenditure since the foundation of the society, a report of its working and its financial position and a detailed statement of its transactions, particulars in regard to its power of contracting loans.

All the papers are then sent to the Labour Minister, by whom they are laid before the Loan Commission.

This Commission must fix the amount of each loan, taking into account the minimum security to be obtained by the investment of successive receipts. In other words it must examine into the society's power of borrowing at the start before opening with it a credit account.

Take for instance a society founded with a capital of 100,000 francs: the first quarter, that is 25,000 francs only has been paid up: 75,000 francs remain due. It must not be forgotten that it is only by means of an advance from the State that the society can effect its loans, as the share capital is immobilised in the securities in deposit.

The amount of the maximum loan to be obtained from the beginning of the working of the society is fixed in the following manner:

(1) Half the capital not paid up, namely 37,500 francs;

(2) The amount of the Government and other securities belonging to the society, and lodged in the Deposit and Consignment Bank. This is the paid up capital, namely 25,000 francs.

(3) First mortgage credits, up to $^{6}/_{10}$ths. at most of the purchase money or the net value of the landed property on which they are guaranteed. M. Lardeur-Becquerel shows us how this calculation is made: the borrowers must be possessed of $^{2}/_{10}$ths. of the price of the land or houses; the society then advances $^{8}/_{10}$ths., but, as the loans only enter in to the calculation of the borrowing power up to $^{6}/_{10}$ths. of the price of the mortgaged property, the difference to be made up by the credit society consists of that part of the State loan corresponding with half the unpaid up capital added to the paid up capital, namely 37,500 + 25,000 frs., amounting to 62,500 frs. This sum representing $^{2}/_{10}$ths. of the value of the landed property, its total value is therefore $\frac{62\,500 \times 10}{2}$ or 312,500 frs. Taking $^{6}/_{10}$ths. of this sum, the credits are shown to be 187,500 francs.

(4) The premium life insurance reserve for which the society has advanced premiums; for the first year this reserve has no existence and its place is taken by the single premium of the policies. For the society in question this reserve may be estimated at 15 % of the mortgage loans with which the policies are incorporated, viz. 37,500 frs.

It is only necessary to add together these various constituents parts of the borrowing power to obtain the amount of the loan at 2 % which the State may grant to the society. In the instance we have taken this loan amounts to 287,500 frs.

With the guarantee of the department or the communes this sum may be considerably increased. In fact the State is authorised to advance $^{7}/_{10}$ ths. (instead of $^{6}/_{10}$ ths.) of the value of the real estate on which a first mortgage is guaranteed, if the department or commune guarantee the payment of yearly sums corresponding with this supplementary increase of $^{1}/_{10}$ th. The borrower must furnish a contribution of $^{2}/_{10}$ ths., reducing the sum paid by the society to $^{1}/_{10}$ th., the advance by the State of a supplementary

tenth reduces by one half the contribution of the society, enabling it to assist a double number of borrowers.

Returning to the above example, the portion of the loan granted to the society corresponding with half the unpaid capital added to the paid up capital (62,500) simply represents $^1/_{10}$ th. of the value of the land or houses on which the credits of the society are secured.

We have as before:

Half the unpaid capital	37,500
Amount of securities deposited	25,000
$^7/_{10}$ ths. of the price of the mortgaged property (the total value of which is $\frac{62,500 \times 10}{1}$ or 625,000)	437,500
Premium reserve	75,000
Total . . .	575,000 frs.

Thus through this guarantee the State loan will amount to 575,000 frs. It has been shown that the value of landed property on which the society has mortgages amounts to 625,000 frs. ; the commune or department only guarantees $^1/_{10}$ th. or 62,500 frs.; to arrive at this important result of doubling the State advance it is only necessary to insert in the communal or departmental estimates a contingent credit of 3,201.25 frs. each year so as to pay the amount of 62,500 frs. in 25 years with 2 % interest. Risks are in reality non-existent. In fact the guarantee of the department or commune cannot be claimed unless the society is unable to pay its debts to the State, a circumstance which could not occur unless it had lost the paid up portion of its capital as well as the part remaining due from the shareholders, since in case of financial embarrassments the society can always count on three-fourths of its capital still due from the shareholders.

The society having now at its disposal a first advance of 575,000 frs. soon receives new requests for loans. When this fund is exhausted the State will make further advances calculated in the following way:

In its first year of working the society may meet the payment of 2 % interest due to the State, and liquidate a part of the loan through the payment by the borrowers of a first instalment in the form of interest and repayment of the capital. The debt of the society to the State will thus be diminished by so much. The total amount due by the society ought then to be at least equal to the total amount remaining to be paid off on the loans granted by the State. The amount still due to the society is calculated by adding together the paid up capital, half the capital not paid, the credits on first mortgage up to $^6/_{10}$ ths. (or $^7/_{10}$ ths.) of the value of the real estate and the premium reserve. The difference between this sum and the total amount still due to the State on previous loans is calculated. The result obtained will represent a sum again available which may again be lent to the society.

It represents $^{2}/_{10}$ ths. of the value of the real estate on the security of which the society may contract new loans.

The maximum of the new advance will be then determined as follows : the difference between the borrowing power of the society and the sums owed by it to the State, $^{6}/_{10}$ ths. or $^{7}/_{10}$ ths. of the price of the land or houses which serve as security for new loans and the premium reserve in connection with new insurance policies.

Thus from the second year, a new loan of 42,400 frs. may be obtained, and, at the end of its twentieth year, the society, founded with a capital of 100,000 frs., of which only 25,000 had been paid up, will have obtained from the State loans amounting to 2,464,000 frs.

The borrowing power of real estate credit societies is therefore practically unlimited, and not likely to be arrested by the want of funds. Furthermore, their financial condition is excellent, because, for a society guaranteed by the department or communes, the net profit at the end of the first year will be 5,387 frs. for the payment of the general expenses and the increase of the reserve fund. This profit will increase in proportion as business extends, and this increase will be as rapid as that of the advances made by the State.

The extent of the borrowing power of a society once fixed, the National Old Age Pension Fund must negotiate the amount for the account of the State. The granting of this loan gives occasion for a Government contract between the Pension Fund and the borrowing society, in which all the conditions respecting the amount of the loan, its grant and repayment are established.

As soon as the contract is signed the funds are placed at the disposal of the borrowing society, not, however, all at once, but in successive instalments, according to the requirements of the society on proof of its due investment. The amount will be paid at the General Treasury or at the Office of the of Tax Collection.

Every request for funds made by the society must be accompanied by an estimate of the expenses to be defrayed by means of the loan, and a proof of the manner in which the funds already received have been employed.

The Pension Fund, before making advances, takes precautions still further to ensure the safety of the investment ; thus all the houses on which money is lent must be insured against fire ; the Fund must have the power of inspecting at any time the books and accounts of the society ; cheap dwelling house societies to which credit societies might advance money, must transfer the profits of insurance in connection with such loans to the real estate credit society and also it must be made impossible legally to replevy in the case of the mortgage loans without the previous sanction of the credit society.

In order to keep itself at all times informed in regard to the condition of the credit society, the Pension Fund requires from it an annual statement of its transactions, showing the amount due in capital on every individual loan, as well as on the advances made to societies. The reports of the general

and special meetings, the balance sheets and profit and loss accounts must also be sent to the Pension Fund.

Two days in the year are fixed for the repayment of State loans, March 31st. and September 30th. ; the amount to be repaid is shown in an amortisation table, drawn up half-yearly by the National Pension Fund. It is essential that the payments to be made by the society on the sums advanced by the State should agree with similar payments made by borrowers on mortgages. Therefore, the amortisation table is established in accordance with the conditions of repayment of these individual loans.

The amount to be repaid is announced by the Deposit Bank to the societies whenever it falls due. The society may at the same dates make further payments in advance.

The repayment of that portion of the capital which is still due may be exacted at once in the case of the withdrawal of the Ministerial approval from the society on account of irregularities, its dissolution or its having borrowed money from the Bank without authorisation within the period for repayment. If the annual instalments have not been paid within the year or if the evidence of proper investment required by the contract has not been produced, payment may be exacted one month after due notice has been given.

There are two important rules to be observed with regard to repayment: in the first place the total amount still due to the credit society, whether from mortgagers or dwelling house societies, should at least be equal to the total amount of the sum still due on loans granted by the State. If it is less, the difference must be paid to the Pension Fund, to be devoted to the repayment in advance of sums lent by it. Hence the second rule; for every advance granted by the credit society to a dwelling house society, the whole amount due to the latter on individual mortgage loans should at no time be less than the amount still due to the real estate credit society.

These are the rules to be followed as to the repayment of capital. The interest on these advances is, as we have said, calculated at the rate of 2 % per annum, payable on March 31st. and September 30th. of each year. This rate will be calculated on the amount still remaining due. Supplementary ihterest or interest on arrears of payment may be charged if the society has not made the required repayments within a month after they fall due. Such interest is calculated at 4 % from the day when payment was due.

If this penalty be insufficient, and neither debt nor interest on arrears is repaid within three months, the legal representative of the Treasury will take proceedings for the recovery of the money.

The payment of all these sums, capital, interest and interest on arrears, is made in Paris at the Deposit and Conseignment Bank, but the society, by application to the director of the Bank, may be authorised to make the payments to the tax collector of the district.

Nothing more need be said as to the grants of money required by a real estate credit society for effecting its purposes ; we now pass on to the destination of such sums.

§ 4. The society in relation to private borrowers.

The granting of loans to persons of small means forms the chief part, but not the whole of the business of a real estate credit society. In fact cheap dwelling house, co-operative and mutual aid societies, and associations recognised as of public utility may all have recourse to the real estate credit society for transactions authorised by the law on cheap dwelling house societies. We shall begin by the consideration of loans to needy persons, and seek in turn, a reply to the following questions: why have recourse to real estate credit societies? what are the conditions required for borrowers? what formalities are required before a loan is granted? how and at what rate will it be calculated? and how will its repayment be effected?

(A) *Means by which a Loan may be Obtained from a Land Credit Society.* — The reasons for borrowing are numerous. Purchase of a house already built; repairs or improvement of a house already built; building of a house or purchase of land, fields or gardens. For each loan a maximum amount is fixed which cannot be exceeded, and the loan depends on the observance of this rule, as we are about to show.

(B) *Conditions Required from Borrowers.* — These conditions may be grouped under three principal heads: profession and physical aptitude, contribution, and the value of the house or land in question.

(1) In the first place, the borrower must be a person of *small means*, that is, that the savings he has made must be insufficient for the purchase of the real estate. In practice, the borrower is generally a town workman or an agricultural labourer, a clerk or employee. Any one whose personal fortune is sufficient without State help has no claim to a loan from the real estate credit society.

The borrower must be of age legally and able to borrow and mortgage. The importance of this condition is evident, for loan and mortgage form the basis of all real estate credit business. The borrower must also be in sound health, be able to cultivate the land himself (if desiring land); if not in good health, the National Insurance Society will not consent to insure his life, and the society would therefore refuse to grant him a loan. In default of a promise to cultivate the land personally, he must engage that this will be done by members of his family, but the necessity for good health remains unchanged. The age of the borrower must be less than sixty years.

(2) The personal participation of a borrower is shown by his contributing a small amount of capital and insuring his life.

He must possess $^2/_{10}$ ths. of the value of the property in connection with which the loan is to be made. When this is a field, $^2/_{10}$ ths. of the price of the land is necessary; when the loan is for the purchase or building of a house he must possess $^2/_{10}$ ths. of the value of the ground and of the building united. The contribution is not a fixed and unchangeable sum. The necessary investigations, circumstances, site, plans and estimates of the projected house

may induce the society to require of the borrower a personal contribution or a new guarantee exceeding one fifth of the amount to be spent. On the other hand, his contribution of $^{2}/_{10}$ ths. is not necessarily made in money; the law accepts as guarantee ground free of mortgage and of value corresponding to $^{2}/_{10}$ ths. of the total.

Besides the obligation of this contribution, the borrower must take out a single premium life insurance with the Insurance Society as security for the payment of eventual instalments still due at his death. The importance of this insurance is easily understood; for it gives the borrower the certainty that, in case of his premature death before all monthly payments have been made, his wife and children will have the house without having to pay anything more, the balance due being paid by the National Insurance Society. The borrower having but limited means, it seemed hard that he should be obliged to pay the insurance premium himself; therefore the Society advances the premium, incorporating the amount in the loan and only very slightly increasing the amount of the monthly instalment. The expense of insurance, is thus equally divided over the whole period of the duration of the debt.

The National Insurance Society is, in case of death, guaranteed by the State. It is managed by the Deposit and Consignment Bank and an applicant must ask the General Director of that Bank to arrange for his medical examination. In his application, the borrower engages to reply to all questions the doctor may ask and to submit to the examination. The real estate credit society undertakes to transmit the demand to the Deposit Bank. A short time after this the applicant is informed that he may present himself to the doctor charged to undertake the examination. The doctor sends his report to the Deposit Bank, which decides in the last resort whether the man may be insured or not. In case of refusal, the borrower is informed of it, but without being told the reasons. In case of acceptance, he is informed of it by the secretary of the Credit Society.

With a view to relieve the applicant from the expense of the medical visit, the law stipulates that it may be dispensed with in the case of an intending mortgager, if at least two years previously to the proposed acquisition of the house, field or garden he has applied to the National Society for insurance. In such a case, he must pay a sum equal to 1 % of the capital to be guaranteed, but not less than 10 frs.

In either case, when the risk is accepted, the Society making the loan requires the borrower to sign an application to the Deposit Bank for insurance. In this application he must state that he has successfully passed the medical examination, or obtained a promise of insurance, and that he possesses a fifth, at least, of the price of the land or house he wishes to buy. With the application he must send the following documents — certificate of birth, extract from the contract of his mortgage loan with declaration of its amount, the rate of interest, terms, and conditions for repayment. Government certificate in accordance with the law of April 10th.,

1908 (to be spoken of later), and, in case the loan is for a house, a certificate of its salubrity.

After the receipt of the application by the Bank, the contract will come into force as a fixed date, and the borrower will immediately receive a copy of the deed. The payment of premiums will be effected by the credit society benefiting by the insurance. There may be a case in which through the cancelling of the loan contract, or through the anticipated payment of his debts by the insured person, the insurance becomes useless: the policy may then be cancelled and an amount equal to the actual value of the premium reserve will be reimbursed. When the death of the insured person is due to suicide, a duel or judicial condemnation, the policy becomes void and the premiums paid up are returned to the heirs.

(C) *Conditions regarding the Value of the Houses or Land.* — We must distinguish between loans for the purchase or building of houses, and those for the purchase of land. In both cases there is a maximum established which must not be exceeded; this is a maximum value fixed by law and varying according to the population of the commune, or a maximum of area together with an invariable maximum of value. In either case, the loans must not exceed $^4/_5$ths. of the value fixed.

(1) When the loan is for a house the question of the maximum rental value is easily solved for each commune; for tenement houses it is only necessary to conform to the adjoining table; which we have reproduced from M. Bernard d'Avout's thesis; for self contained houses the rent is increased by one-fifth, the price of quarters in them being obviously higher.

As to the rental value of each lodging, it is fixed for tenement houses according to the rent shown in the lease, increased by any burdens on the real estate besides those for salubrity and fire or life insurance. For a self contained house, the rental value is established at the rate of $4\,^3/_4\,\%$ of the net cost of the ground on which they stand, measured to the outermost extremity of the walls. The price of water pipes and drainage pipes is calculated only from where they enter the outer wall of the house. Proprietors may test the accuracy of such valuation by producing contracts, estimates, bills etc.

The house must be insured against risks of fire in an insurance company approved by the Society for the period of the duration of the loan, and for a sum equal to the value of the building. And to insure the claims of the Society in case of casualty, the borrower engages to maintain and renew this insurance until the entire loan is repaid. He cannot reduce the amount nor cancel the contract without the consent of the Society. Trade in drinks must not be carried on in the house, and, finally, it must not be let or sold without the authorisation of the Society until the debt is fully paid off, in order that the Society may not lose its mortgage security.

(2) In the case of a plot of ground, a field or a garden the price must not exceed 1,200 frs., including the burdens on the land and the area not one hectare. The above conditions must be united. If a house is to be built on the ground the rental value must be added, yet if the building have

a garden attached of an area not exceeding 10 ares, the value of the land is not limited.

If the borrower has already a house, and he wishes to join to it a garden or field, he must again prove that the rent of his house during the year preceding his demand has not been above the maximum rental value usual in the Commune.

The borrower must engage to cultivate the field himself or have it cultivated by members of his family.

He must not be proprietor of a plot built on or not built on, one hectare in area, or of a value above 1,200 frs. If he already has a plot, its extent and value will be deducted from the above figures.

(D) *Formalities Necessary for the Obtaining of a Loan.* — All these conditions being fulfilled, the Credit Society takes the necessary steps to obtain a Government certificate and a certificate of salubrity. The first is always useful in the case of either a house or a plot of ground ; the second is useful only in case of demands for a loan for the purchase, or building of a house.

Table of Maximum Rental Values.

Category		Lodgings of 3 or more Dwelling rooms of 9 square metres with W. C. and kitchen	Lodgings of 2 Dwelling rooms of 9 square metres with W. C. and kitchen	Lodgings of one Dwelling room of 9 square metres with kitchen	Lodgings of one Dwelling room only of 9 square metres
Communes of under 2,000 souls.	Rent of lodgings in tenement houses	220	180	120	70
	Rent of self contained houses	264	216	144	84
	Maximum price of a self contained house	5,557	4,547	3,031	1,768
Communes of from 2,001 to 5,000 souls.	Rent of lodgings in tenement houses	250	205	125	80
	Rent of self contained houses	300	246	150	96
	Maximum price of a self contained house	6,315	5,178	3,157	2,020
Communes of from 5,001 to 15,000 souls	Rent of lodgings in tenement houses	275	225	150	90
	Rent of self contained houses	350	270	180	108
	Maximum price of a self contained house	6,947	5,684	3,789	2,273
Communes of from 15,001 to 30,000 souls. Suburbs of communes of from 30,001 to 200,000 souls within a radius of 10 kilometres.	Rent of lodgings in tenement houses	325	250	175	100
	Rent of self contained houses	390	300	210	120
	Maximum price of a self contained house	8,210	6,315	4,420	2,526
Communes of from 30,000 to 200,000 souls. Suburbs of communes of 200,000 souls and upwards within a radius of 15 kilometres. Large suburbs of Paris.	Rent of lodgings in tenement houses	400	325	250	125
	Rent of self contained houses	480	390	300	150
	Maximum price of a self contained house	10,105	8,210	6,315	3,157
Communes of 200,001 souls and upwards. Small suburbs of Paris within a radius of 20 kilometres.	Rent of lodgings in tenement houses	500	400	300	175
	Rent of self contained houses	600	480	360	210
	Maximum price of a self contained house	12,631	10,105	7,579	4,421
City of Paris.	Rent of lodgings in tenement houses	600	500	350	200
	Rent of self contained houses	720	600	420	240
	Maximum price of a self contained house	15,157	12,631	8,842	5,052

The Government certificate shows that the conditions are satisfied as already indicated: — for purchase of a field or garden, area not to exceed one hectare, rental value of lodging, maximum purchase price, engagement to cultivate; for the purchase or building of a house, all conditions connected with rental values as established by law. The certificate is delivered by the superintendent of direct taxation of the district in which the house or land is situated.

A certificate of salubrity is given by the Patronage Committee for Cheap Dwelling Houses within three months after application has been made for it in the district in which the house stands; to save time a provisional certificate, given by a delegate appointed by the Committee in each district, will authorise the loan. The definite certificate gives a right to exemption from taxes (1). In order to obtain these fiscal privileges the borrower must make a declaration at the town hall or the commune respecting the nature of the building he proposes to erect. For this he will receive an acknowledgement to be forwarded to the society, which will then send the certificate of exemption from taxes to the superintendent of direct taxation.

Meantime the borrower addresses to the real credit society his request for a mortgage loan, giving his full name, the place and date of his birth, his residence, his trade, his income, stating whether he is married or single, and whether he has children or not : he names the sum he wishes to borrow and fixes a term within which he proposes to repay the loan ; he describes the situation of the land on which he proposes to build or the house he wishes to buy, he specifies the area of the ground covered or to be covered and its price, and the amount of the net cost price.

From the answer given by the society the borrower knows beforehand what sum he must have immediately available, what sum will be lent him by the society, the amount of the single insurance premium advanced by the society and what he must pay a month so that he may be free of the debt within a given time

When the society has given a favourable answer, the borrower must undergo a medical examination ; when accepted for insurance he must supply the following documents required for the drawing up of the loan contract, certificate of birth on unstamped paper ; contract of marriage if there is one, if not copy of the marriage certificate, particulars of family, title-deeds of land, savings bank book or evidence to show that he posseses at least the required fifth ; if he proposes to buy a house already built he must

(1) It should be added that the patronage committees retain the right of visiting cheap dwelling houses to assure themselves that the state of salubrity is maintained; they may withdraw the certificate if the condition of the dwelling justifies them in doing so, but in this case their decision must be notified to the proprietor, who is allowed a month in which to appeal to the Labour Minister, and the certificate will not be withdrawn unless the insalubrity is due to alterations in the arrangements of the house. The committees will submit to the Labour Minister for approval conditions the buildings must satisfy before certificates are granted.

produce the promise to sell, or a letter from a notary or from the proprietor indicating the price and the charges on the house, the land tax certificate for the preceding year, the fire insurance policy and the contract of lease, if there is one ; if he intends to build a house he must produce a plan of the ground with the exact position of the house, a plan of the house with description and estimate, establishing the cost price, and the contract signed by both builder and borrower.

The Board of Management of the society then examines all the papers and decides on its action ; according to the information given, to the situation of the ground, to the plans and estimates for the house, it may refuse the loan or require from the borrrower a supplementary guarantee in excess of the obligatory fifth. Nothing remains but to drawn up the loan contract, and to call the borrower before the notary for signature.

(E) *Grant of the Loan.* — The loan may be granted in one of two ways, either as an ordinary loan or by opening a credit account. The first is usual in the case of purchase of ground or of a house already built ; the whole sum is placed by the society in the hands of the notary who conducts the sale. But, when a house is to be built, a credit account is opened ; the money is not handed directly to the borrower, but temporarily placed in the society's safe, and advanced as required to the builders in charge of the works : the last tenth must be paid when the house is completely finished and occupied by the borrowers.

In this case a credit account is opened before a notary between the lender and the borrower. The presence of a notary is indispensable because of the constitution of the mortgage. The society's mortgage must be given preference and be regarded as a first mortgage ; no preference or any other mortgage may take precedence of it.

In the deed the society declares that it has opened a credit account to a certain amount with the borrower, with a view to the building of a house or the purchase of land or a house, and with the view to payment of a premium of insurance. The borrower on his part acknowledges that he owes to the society a fixed sum bearing interest.

It is plain that this opening of a credit account involves the payment of interest by the borrower ; the rate on loans to private individuals must not exceed $3\frac{1}{2}\%$ and certain societies, such as the cheap dwelling house society of Seine-et-Oise content themselves with only 3%. The difference between the rate of 2%, at which the societies borrow from the State, and that of $3\frac{1}{2}\%$, at which they lend to private persons, is a considerable source of income for them : on 100,000 frs. the society thus makes 1,500 frs. profit : with increased business, and making 200 loans of 5,000 frs. each it will gain 15,000 frs., more than sufficient to cover its general expenses.

(F) *Repayment of the Loan.* — The borrower fixes the date of repayment, subject however to certain limitations. The time allowed must not exceed 25 years and the whole must be repaid by the time that the borrower attains the age of 65. Repayment may be made in 5, 10, 15, 20 or 25 years ; a man of 40 may be allowed 25 years, but a man of 55 must pay all within 10 years. Payment is generally made in monthly instalments ; they may

also be quarterly or even annual, and are so calculated as to pay off at once the capital borrowed, the insurance premium and the interest. Borrowers are not obliged to pay a fixed sum every year; their monthly payments may exceed the minimum fixed, but they must not make larger payments in order to postpone future payments or to reduce them below the minimum stipulated. Borrowers may even pay the whole sum in advance, in which case the insurance policy is cancelled at the date of next maturity and a sum equal to the premium reserve at that date is paid to the borrower.

At the time of paying his first monthly instalment each borrower receives a pass book in which are entered the conditions of the loan, the amount of money advanced by the society and particulars of the payments made by himself. Every December these books are sent to the society for the calculation of interest and balancing of the account; the sum due is added to the year's interest, payments made are deducted and the balance carried forward. Thus a workman may himself check the accounts of the society and ascertain the decrease of his debt in proportion to the amount of his payments.

Repayment of loans may in the following cases be exacted at once; if two monthly instalments have not been paid, or if a demand for payment receives no attention for eight days, if a tax has been imposed on the capital or interest of the credit, if the mortgage is not a first mortgage, if the property mortgaged has been distrained or divided, deteriorated or neglected, transformed or used for the sale of alcoholic liquors, if the debtor lets the holding before total repayment, and without the authorisation of the society, if the house is not built at the date fixed and in accordance with the plans and estimates submitted to the society (1); if any clause in the loan contract has been violated, or if the life insurance has been annulled or cancelled for any reason whatever. Power to exact payment is conferred by the mere fact of the occurrence of one of these cases; the society may then claim from the insurance society the value of the life insurance policy.

§ 5. The credit society in its relation to cheap dwelling house societies.

Mortgage loans to individuals constitute the chief part of the transactions of real estate credit societies, but they may also advance money to cheap dwelling house societies, co-operative or otherwise.

(A) *Advances to Cheap Dwelling House Societies.* — As a general rule authorised cheap dwelling house societies under any form, provided that their transactions come within the limits of the law, may borrow money

(1) Eventually the real estate may be altered or increased without loss of the legal advantages, on condition that the resulting expenses do not exceed by more than one tenth the legal maximum prevailing in the commune where the real estate is situated.

from real estate credit societies, not however to be invested directly but to be passed on as mortgage loans to individuals.

The rate of interest on loans from real estate credit societies to cheap dwelling house societies is fixed by the decree of May 3rd., 1913: it must not exceed 3 %. In practice, these societies only exceptionally engage in mortgage credit transactions.

(B) *Advances to Co-operative Cheap Dwelling House Societies.* — In view of the fact that, though pursuing different methods, real estate credit societies and co-operative cheap dwelling house societies are working for the same object, that of the acquisition of real estate by persons of small means, the law of December 23rd., 1912 decides that both shall be under the same regulations. These co-operative societies may therefore have the benefit of loans from the State, at the reduced rate of interest of 2 %, for transactions in conformity with the law, provided that they satisfy the following conditions:

Their share capital must not be less than 25,000 frs. paid up, and, for greater security for the annual payments by instalments of the loan, the guarantee of a solvent person or that of the commune or department must be obtained. Advances are made for individual mortgage loans, or for the erection of self contained houses to be let and eventually sold. The shareholders of the co-operative society must pay one fifth on their shares, representing the value of the land allotted to them; they must also take out a temporary life insurance policy, and obtain a Government certificate declaring that they comply with the conditions prescribed by the law; the co-operative society receives a mortgage on the land or building for which the loan was granted.

The power of borrowing is slightly restricted; the half of the capital which is still unpaid cannot be security for it, because the capital of co-operative societies is essentially variable; nor can the credit on the first mortgage up to $^{6}/_{10}$ths. of the purchase money, because in co-operative societies holders of mortgage loans cannot become proprietors till their shares are all paid up. The amount of the loans is calculated according to the amount of the Government or Government guaranteed securities belonging to the society and deposited in the Deposit and Consignment Bank, the premium life insurance reserve, where the society has advanced premiums, $^{7}/_{10}$ ths. of the purchase money or the cost price of the real estate, at least one fifth of which is represented by the payment of shares subscribed. The real estate is mortgaged for the benefit of the commune or department.

All these conditions having been satisfied, the State will grant loans directly as to the real estate credit societies. But this is not the only way in which the co-operative societies can raise money; another means was given to them by the law of December 23rd., 1912.

By this law, real estate credit societies may grant loans to co-operative societies with a view to the purchase of fields or gardens, and the purchase or erection of cheap dwellings; these loans may enable co-operative societies themselves to build private houses for those of their members who possess

one fifth of the value of the land or house, whose lives are insured, who possess Government certificates, and can produce, if necessary, a certificate of salubrity. But the loans must not exceed four-fifths of the value of the real estate allotted to the members.

Under the same circumstances, the real estate credit societies may grant mortgage loans to co-operative societies for their business of lease with promise of sale, provided the value of the real estate is represented by at least one fifth of the paid up shares.

Lastly it has been asked whether credit societies might not give their assistance in increasing the value of a tenement house. A favourable decision was given by the law of December 23rd., 1912, at least in the case of tenement houses for numerous families. Real estate credit societies may in the third place lend to co-operative societies desiring to purchase or build tenement houses if the following two conditions are satisfied: 1. that the shareholders in the co-operative society have at least three children at the time of their first purchase of shares; 2. that at least two-thirds of the lodgings in the tenement house are let to shareholders or their families.

The rate of interest on loans to co-operative building societies must not exceed 2 ½ %. The loan is made by means of the opening of a credit account. The co-operative society hires houses or land at a minimum rate of 3 ½ %, and requires from every lodger a monthly sum, as rent and in payment for his shares, equal to the monthly instalment that would have to be paid by the co-operative society to the credit society on account of the sum due to the lodger if the interest were calculated at 3 ½ % instead of 2 ½ %.

This working in concert of co-operative cheap dwelling house societies and real estate credit societies is of good augury for the acquisition of small holdings; the one society being supplementary to the other: the co-operative societies benefit their members by enabling them to purchase land at a low price, act as intermediaries between the borrowers and the credit societies both as regards loans and the payment of monthly instalments. Their part in a social point of view is therefore of great importance as is proved in practice every day. As evidence may be adduced the real estate credit society of Loir-et-Cher which has lent 40,000 francs to the Blois Homestead Society which is a Co-operative Cheap Dwelling House Society

(To be continued).

Part IV: Miscellaneous

RUSSIA.

THE GREAT AGRARIAN REFORM AND ITS RESULTS: FROM 1907 TO 1914.

(*Continued*) (1).

§ 6. Results of agrarian reorganisation in Russia, between 1907 and January 1st., 1914.

A. *Statistics of Applications for the Intervention of the District Land Commissions between* 1907 *and* 1914.

From the date of the first application of the legislative measures in which the new land reform consists (winter 1906-1907) to the first of January last year, the total number of farmers who had appealed to the Agrarian Commissions for any kind of agrarian reorganisation was 5,032,780. These may be divided as follows, according to their social status:

Peasants	4,965,444	applications (2)
Small Landholders, not Peasants	58,531	»
Other Landholders	8,805	»
Total . . .	5,032,780	applications.

(1) See the number of this Bulletin for June, 1915.

(2) Unless otherwise stated, all the figures given in this section are taken from the "Official Report of the Work of the Land Commissions up to January 1st., 1914" (Отчетныя свѣдѣнія о дѣятельности землеустроительныхъ коммиссій на 1 января 1914 г.) published by the General Management of Agriculture and Agrarian Organisation (Petrograd, 1914). *Let us observe, in this connection, that as a result of the adoption, since* 1912, *of new principles, in the valuation of statistical data (those indicated by us in* § 5 *and the modification of the statistical data for the preceding years in conformity with these new principles, there are necessarily differences between the data published before and after that year.* Of course these differences are merely apparent and solely due to a different interpretation of the various headings, always very condensed, under which the figures are grouped.

If we classify the applications presented by *peasants alone* according to the year in which they were presented, showing for each year the increase in the number of applications as multiple of the number of those of the first year, we obtain the following figures :

TABLE I. — *Applications for Agrarian Reorganisation presented by Peasants between* 1907 *and* 1914.

Years	Number of Applications Presented	Increase, Shown as Multiple of the Number Presented in the First Year
1907	219,332	1
1908	380,691	1.73
1909	704,964	3.21
1910	630,347	3.00
1911	678,143	3.08
1912	1,226,225	5.57
1913	1,105,742	5.00

Let us observe once for all that in this table, as in all those that follow, the number of applications presented by groups (" Mirs ", villages, fractions of villages etc.) represent the number of " hearths " in each group. If, for example, a village with *twenty* " hearths " applies for any work of agrarian reorganisation to be carried out, we have twenty applications, even if only one application is presented in the name of all the twenty heads of families concerned.

Classifying the applications according to the class of work to be carried out, we get the following results :

TABLE II. — *Agrarian Operations Requested by the Peasants between* 1907 *and* 1914

Nature of Operations and Number by which they are Indicated (Cfr. § 4)	Number of Applications (i. e. " Hearths ")	
	Real Number	Percentage
I. Separation of Entire Villages	1,557,913	31.4
II. » Fractions of Villages	166,414	3.4
III. » Isolated " Hearths "	706,792	14.2
IV. General Division of " Mir " Land into Individual Holdings	1,526,441	30.7
V. Division of Land among Peasants and other Individual Owners	108,634	2.2
VI. Division of Land held Collectively among Peasants	200,531	4.0
VII. Readjustment of Land not Allotted	450,064	9.1
VIII. Elimination of Enclaves	248,655	5.0
Total	4,965,444	100.0

Only considering here the *fundamental* operations of agrarian reorganisation mentioned in § 4, we find that the applications for such operations represented alone about four fifths (to be precise about 79.7 %) of all those addressed to the Agrarian Commissions.

We find also that the number of applications for *collective* agrarian reorganisation (operations I and II), 34.8 % of the total number, is appreciably less than that of the applications for *individual* agrarian reorganisation (operations III and IV), representing alone 44.9 %. This absolutely contradicts the assertion of the opponents of the reform, mentioned above, that the Russian people could never be induced to give up the system of collective ownership of land as it existed in the traditional organisation of the Mir. And the contradiction is found to be more marked when we consider the total number of applications instead of the percentages.

Indeed the Table shows that of 5,000,000 heads of families (in round numbers) who have made application to the Agrarian Commissions, 43 %, or 2,250,000, asked that the "*nadiels*" should be reorganised as individual holdings. To these, 3,500,000 (1) must be added, who, owing to the fact that no division of the "*nadiels*" had been made since 1861, were at the date of the promulgation of the new reform, *ipso facto* owners of their respective lots (cfr. § 4). The total number of peasant "hearths" on January 1st., 1914 was estimated at 13,000,000 (2). This means that already, only seven years since the reform began, 44.2 %, of all the peasants of the provinces to which the reform has been extended have abandoned the system of collective property, and that without any difficulty, since the number of those who have themselves made application for the purpose is considerably in excess of that of the peasants who have remained faithful to the collective principle.

Let us now go on to consider the work done by the Agrarian Commissions, examining it in the order indicated at the end of the last section.

B. *Statistics of the Agrarian Operations for which Preliminary Drafts have been made by the Organising Commissioners of the District Commissions.*

Of the 4,965,444 reorganisation operations applied for by peasants alone by January 1st. of last year, 2,862,064 had reached the first preliminary stage, that is to say the first sketch had been drafted by the organising commissioners and submitted by them to the District Commissions.

Classifying these operations according to the different years, we get the following table in which we show for each year also the area in deciatines (1.0925 ha.) of the land affected by the operations :

(1) Exactly 3,489,898. See the Pamphlet "La réforme agraire en Russie", published by the Russian Chamber of Commerce at Paris, p. 16.

(2) See Вѣстникъ Финансовъ, промышленности и торговли, of April 5th., 1914, No. 11, pag. 481.

TABLE III. — *Agrarian Reorganisation Operations in the First Preliminary Stage, and the Area of the Land Affected.*

Years	Number of Proposals (that is of "hearths")	Area of Land Corresponding (in Deciatines)
1907	47,646	578,989
1908	118,903	1,094,628
1909	326,857	2,974,604
1910	415,692	3,896,934
1911	403,795	3,702,566
1912	741,473	6,625,580
1913	807,698	6,854,480
1907-1914	2,862,064	25,727,781

In order to show the work thus accomplished in seven years, let us observe that the total area affected by these 2,862,064 preliminary proposals is almost equal to the total area cultivated in the whole of the German Empire (23,591,900 deciatines) and the whole Kingdom of Denmark (2,361,500 deciatines) (1).

In order better to show the activity of the organising commissioners, which increases from year to year, let us take as units both the number of proposals outlined in the first year of the reform and the number of the deciatines affected. The work accomplished in the later years would then be represented by the following multiples :

TABLE IV. — *Operations Effected by the Organising Commissioners (In Multiples of the Work Accomplished in* 1907).

Years	Number of Proposals	Deciatines Affected.
1907	1	1
1908	2.3	1.8
1909	6.3	5.1
1910	8.7	6.4
1911	7.4	6.7
1912	15.6	11.4
1913	17.0	11.8

(1) See the " Collection of Statistical and Economic Information in regard to Agricultural Industry in Russia and in other Countries " (Сборникъ статистико-экономическихъ свѣдѣній по сельскому хозяйству), published by the General Department of Agriculture and Agrarian Organisation. VIIIth Year (1915), p. 2.

This continual progressive increase of the work executed, the more remarkable as it far exceeds that of the applications shown in Table I, is due in the first place to the considerable increase in the number of Agrarian Commissions and organising commissioners. In 1908 the number of the latter was still only 863 in all. In 1913 it was more than 3,104. Of course the more considerable experience the commissioners of agrarian operations acquire from year to year contributes also to the acceleration of the work.

In the following table, the preliminary proposals drafted are classified according to the kind of operations the peasants desire, the various kinds of agrarian operations contemplated in the law being shown in decreasing order of the number of "hearths" the land of which is affected by the preliminary work of the organising commissioners.

TABLE V. — *Classification of the Proposals for Agrarian Reorganisation Drafted between* 1907 *and* 1914.

Kind and Number of Operations (Cfr. § 4)	Proposals Drafted		Area Corrisponding	
	Total Number of "Hearths"	Percentage of Total	Deciatines	Percentage of Total
I. Separation of Entire Villages . . .	967,995	33.8	8,872,586	34.5
IV. General Allotment of "Mir" Land .	939,507	32.8	9,308,637	36.2
III. Separation of Isolated "Hearths" . .	407,417	14.2	4,254,213	16.6
VII. Readjustment of Land not Alloted .	187,660	6.5	623,130	2.3
VIII. Elimination of Enclaves	164,168	5.7	1,003,178	3.9
VI. Division of Land held collectively among Peasants and other Individual Holders	77,531	2.8	765,419	3.0
II. Separation of Fractions of Villages .	76,141	2.7	802,895	3.1
V. Division of Land Held Collectively among Peasants	41,645	1.5	107,723	0.4
Total . . .	2,862,064	100.0	25,727,781	100.0

To sum up then, of 4,965,444 applications for intervention presented to them in these seven years by peasants alone, the agrarian commissions have succeeded in the preliminary examination of 2,862,064 or 57 %.

C. *Statistics of Schemes of Agrarian Reorganisation Definitely Arranged for by the "Technical Expeditions" of the District Agrarian Commissions.*

Of the 2,862,064 preliminary drafts made, as we have just seen, by the organising commissioners since the reform began, 2,040,606 had by January 1st., 1914 reached the second preliminary stage, that is to say, after having been examined by the District Agrarian Commissions and forwarded to the technical expeditions of these Commissions, these 2,040,606 drafts had been studied in detail, marked off on the soil itself according to the plans, submitted to the parties concerned and then sent to the Commissions in their definite form. In other words 71.3 % of the proposals drafted have been given definite form during the period with which we are concerned.

The area of the land affected by the 2,862,064 drafts was, as we saw, 25,727,781 deciatines. That affected by the definite proposals was 70.0 % of this number, that is 17,944,648 deciatines, an area nearly equal to the total area of all the cultivated land of Spain and Portugal.

The following table shows the operations of the technical expeditions for each year with the number of deciatines affected.

TABLE VI. — *Proposals Definitely Elaborated by the Agrarian Commissions and Area of the Land Affected.*

Years	Proposals Elaborated	Area Affected
1907	26,556	262,943
1908	86,381	789,502
1909	252,294	2,356,615
1910	345,316	3,150,825
1911	361,150	3,270,989
1912	431,735	3,705,562
1913	537,174	4,408,212
1907-1914	2,040,606	17,944,648

If we now classify these proposals according to the kind of agrarian operation, we get the results shown in the following table, in which we also give the number of deciatines affected in each case.

TABLE VII. — *Classification of the Proposals for Agrarian Reorganisation Definitely Elaborated between* 1907 *and* 1914, *according to the class of Operations.*

Kind and Number of Operation (Ctr. § 4.)	Proposals Elaborated		Area Affected	
	Total Number of "Hearths"	Percentage of Total	Deciatines	Percentage of Total
IV. General Division of "Mir" Land. . .	704,307	34.5	6,969,094	38.9
I. Separation of Entire Villages	682,360	33.4	5,868,343	32.7
III. » Isolated "Hearths" .	310,163	15.1	3,225,043	17.9
VII. Readjustment of Land not Allotted .	125,125	6.1	312,116	1.8
VIII. Elimination of Enclaves	116,387	5.8	619,202	3.4
II. Separation of Fractions of Villages.	58,724	2.9	609,096	3.4
VI. Division of Land Held Collectively among Peasants	23,105	1.2	275, 42	1.5
V. Division of Land among Peasants and other Individual Owners	20,435	1.0	65,812	0.4
Total . . .	2,040,606	100.0	17.944,648	100.0

As we see from the foregoing tables, the work of the "technical expeditions" of the Agrarian Commissions is by no means less than that of the organising experts who first draft the proposals for readjustment of land. In fact, notwithstanding the considerable increase both in the number of applications for intervention presented by the peasants (Table I) and of the proposals preliminary drafted (Tables III and IV), the technical expeditions have none the less succeeded in intensifying their action in a still more remarkable degree (1), as we see from the following table :

TABLE VIII. — *Definite Proposals Elaborated by the Agrarian Expeditions.*

Years	Percentage of the Number of Applications for Intervention	Percentage of the Number of the first Drafts
1907.	12.1	55.9
1908.	18.8	70.1
1909.	27.9	74.0
1910.	36.3	78.1
1911.	40.7	81.6
1912.	39.0	73.2
1913.	41.1	71.3

(1) Let us observe in this connection that the task entrusted to the "technical expeditions" is incontestably the most complicated, the lengthiest and most difficult of all those entrusted to any of the bodies charged to carry out the reform, since it includes the detailed marking out on the soil itself according to the plan of all the readjustment operations carried out.

If it has been possible to succeed in such an effort it is in the first place to the Government the merit is due, for by the foundation of special schools (1) it has rendered possible a continuous progressive increase in the number of the technical employees attached to the Agrarian Commissions. In 1907 there were only 650 employees ; in 1908 their number had increased to 1,300 ; in 1909 to 3,271, in 1910 to 5.085, in 1911 to 5,450, in 1912 to 5,897, and at last in 1913 it had reached 6,397 or very nearly ten times what it was seven years before. Let us now consider the last stage of the action of the Agrarian Commissions.

D. *Statistics of Proposals for Agrarian Reorganisation Definitely Approved by the Provincial Commissions and thus Legalised.*

Of the 2,040,606 proposals for agrarian reorganisation definitely elaborated, as we have just seen, by the District Commissions and submitted by them for the approval of the Provincial Commissions, 1,493,968 in the period we are considering had reached the third and final preliminary stage, that is to say they had been approved by the Provincial Commissions and had thus been legalised. This means that these Commissions have examined in detail and definitely approved 73.4 % of all the proposals submitted to them.

The area of the land affected by the 2,040,606 proposals elaborated by the District Commissions was 17,944,648 deciatines. That affected by the proposals definitely approved was 72.2 % of this, or 12,925,317 deciatines, and was very nearly equal to the total area cultivated in Italy and Greece.

We give in the following table the number of proposals approved by the Provincial Commissions each year with the number of deciatines affected :

TABLE IX. — *Proposals for Agrarian Reorganisation Definitely Approved by the Provincial Agrarian Commissions between* 1907 *and* 1914.

Years	Proposals Approved	Area Affected
		Deciatines
1907	12,611	132,448
1908	60,014	571,440
1909	205,082	1,858,444
1910	262,439	2,300,845
1911	319,084	2,952,433
1912	248,164	2,132,128
1913	386,574	2,977,579
1907-1914	1,493,968	12,925.317

(1) Cfr. PREYER, W. D. Die russische Agrarreform, pp. 242 et seqq.

Classifying these proposals definitely approved according to the character of the agrarian reorganisation operations, we get the following table:

TABLE X. — *Distribution of the Reorganisation Proposals Definitely Approved by the Provincial Commissions between* 1907 *and* 1914, *according to the Character of the Agrarian Operations.*

Kind and Number of Operations (Cfr. § 4.)	Proposals Approved		Area Affected	
	Total Number of "Hearths"	Percentage of Total	Deciatines	Percentage of Total
IV. General Division of "Mir" Land . .	565,199	37.8	5,567,299	43.1
I. Separation of Entire Villages	470,343	31.5	3,755,241	29.1
III. » » Isolated "Hearths" . .	215,373	15.8	2,474,976	19.1
VII. Readjustment of Land not Allotted .	86,512	5.8	207,216	1.6
VIII. Elimination of Enclaves	70,475	4.7	326,489	2.5
II. Separation of Fractions of Villages .	43,794	2.9	450,146	3.5
V. Division of Land among Peasants and other Individual Owners	13,987	0.9	53,799	0.4
VI. Division of Land Held Collectively among Peasants	8,285	0.6	89,971	0.7
Total . . .	1,493,968	100.0	12,925,317	100.0

In view of the quite special importance the new reform gives to individual agrarian reorganisation, in the following table we shall indicate the importance of the proposals for this kind of reorganisation in the whole number definitely approved.

TABLE XI. — *Statistics of Proposals for Individual Agrarian Reorganisation Approved by the Provincial Commissions between* 1907 *and* 1914.

Kind and Number of Operations (Cfr. § 4)	Proposals for Agricultural Reorganization Approved					
	Number of Proposals ("Hearths")			Area Affected		
	Total	Individual Reorganization		Total	Individual Reorganization	
		Total Number	Percentage of Total		Total Number	Percentage of Total
IV. General Allotment of "Mir" Land. .	565,199	562,713	99.5	5,567,299	5,542,622	99.5
III. Separation of Isolated "Hearths" . .	235,373	235,373	100.0	2,474,976	2,473,582	99.9
I. Separation of Entire Villages	470,343	14,017	2.9	3,755,421	100,419	2.7
II. Separation of Fractions of Villages .	43,794	6,881	15.7	450,146	65,349	14.5
V. Division of Land Among Peasant and other Individual Owners	13,987	3,734	26.6	53,799	8,994	16.7
VI. Division of Land Held Collectively Among Peasants .	8,285	7,595	91.7	89,971	57,355	63.7
VII. Readjustment of Land not Allotted.	86,512	10,496	12.1	207,216	36,460	17.6
VIII. Elimination of Enclaves.	70,475	3,283	4.6	326,489	27,071	8.3
Total . . .	1,493,968	844,092	56.5	12,925,317	8,311,852	64.3

Let us finally complete this series of statistical tables by the following, intended to give the reader a general idea of the progress made in the work of agrarian reorganisation both as regards the various classes of operations included in the work and the stage reached by them on the first of January, 1914. With this table we give a diagram to show the stage of advancement of these operations at the above date, in each of the forty seven European provinces of the Empire in which the agrarian reform of 1906 has been applied.

s of Reorganization Definitely Approved

	Area in Deciatines	Works of Individual Reorganization		Works of Collective Reorganization	
		Number	Deciatines	Number	Deciatines
	5,567,299	562,713	5,542,622	2,486	16,950
I	2,474,976	235,373	2,473,582	—	—
	3,755,421	14,017	100,419	456,326	3,652,390
	450,146	6,881	65,549	36,913	384,082
	89,971	7,595	57,355	690	3,005
VI	207,216	10,496	36,460	76,016	145,576
	53,799	3,734	8,994	10,253	35,713
VI	326,489	3,283	27,071	67,192	279,773
	12,925,317	844,092	8,311,852	649,876	4,517,501

§ 7. Secondary functions of the agrarian commissions

We already know that in addition to the preparation of the work of agrarian reorganisation properly so called, the Agrarian Commissions have many duties of other character which may be called accessory. For want of space, we shall only deal here and very briefly with the two classes of activity most intimately associated with the principal work, completing it and quite specially facilitating it, the sale to peasants who have no land of available land belonging to the Crown and the grant of subsidies and loans on favourable conditions intended to facilitate the passage of the small landowners from the ancient system to that introduced by the reform without too great expense.

A. *Sale to Peasants of Available Land belonging to the Crown.*

By Imperial Ukase of August 26th., 1906, the executive authorities of agrarian reform were charged to sell to peasants without land or not possessing enough for their needs that portion of the vast domains belonging to the Crown in the forty seven provinces of European Russia to which the new agrarian reform is applicable, which it is considered may be sold. The competent authorities decide together what land is to be transferred to the peasants, and the Agrarian Commissions fix the favourable conditions under which the transfer is made.

Before sale, the land is studied by the technical expeditions, who, after surveying, see to the carrying out of all the principal works of improvement required, the construction of roads to the holdings, irrigation or draining, clearing, establishment of public services, schools, churches, etc. (1). It is only when this "preparation" is completed that the areas in question are divided into colonisation lots and transferred by the Agrarian Commissions to those applicants for purchase whom they consider best entitled.

The total area of the Crown Domains placed at the disposal of the Agrarian Commissions since the Ukase of August 26th., 1906, to be ceded to the peasants who have no land, has been 627,892 deciatines (684.332 hectares, a little less than the entire area of all the land cultivated in the Kingdom of Norway), or about a sixth part of the entire area of the land belonging to the Crown in the forty seven provinces in which the reform is applied.

(1) Of course in the central provinces this "preparation" is, as a rule, unnecessary. In the East, however, and especially in the province of Astrakhan, where a considerable proportion of the land belonging to the Crown is reckoned to be available for sale, the preparation is in every way similar to that of the Siberian and Caucasian colonisation areas described in our articles on "Home Colonisation in the Caucasus from 1908 to 1912" (in the number of this Bulletin for October, 1914), and "Home Colonisation in Siberia in 1913" (in the number for March, 1915).

During the same period, preliminary works of improvement and drainage, as well as surveys undertaken in order to fix the price of the land, have been carried out over a total area of 557,117 deciatines. The total value of this enormous area was fixed at 52,533,815 roubles, giving an average estimate of 94 roubles 65 kopeks per deciatine (that is to say about 252 francs per hectare). A comparison with the valuations made at the same date by the experts of the Nobles' Land Bank in connection with the mortgages granted by it (1) or the average price per deciatine of the land purchased by peasants through the medium of the Peasants' Bank (2) will suffice to show how low the above estimate is. We give below the estimates made by the above banks:

Years	Nobles' Bank	Peasants' Bank
	roubles per Deciatine	
1907	71	111
1908	102	121
1909	103	138
1910	138	128
1911	138	116
1912	159	112

Of the 555,117 deciatines thus "prepared" between 1907 and 1914, 358,701 were actually sold to the peasants for a total amount of 36,229,430 roubles. The following table shows how the amount of this business has varied from year to year.

TABLE XIII. — *Sales of Available Crown Land to Peasants without Land.*

Years	Land set apart to be Sold (Deciatines)	Land Sold	
		Deciatines	Price in Roubles
1907	21,225	9,664	1,149,230
1908	230,118	45,173	4,638,663
1909	135,510	139,355	15,083,665
1910	78,507	86,541	7,825,415
1911	64,287	48,272	3,845,307
1912	68,236	10,538	1,428,045
1913	30,009	19,158	2,259,105
1907–1914	627,892	358,701	36,229,430

(1) See the article "The Nobles' Government Land Bank," in the number of this Bulletin for September, 1914.

(2) See SNELLMAN (G. R.): "Agrarfrågan och agrarreformen i Ryssland" in the Ekonomiska Samfundets (i Finland) Tidskrift, p. 73 (Year 1915).

The progressive decrease observed since 1909 both in the area set apart to be sold and the area actually sold is due to two quite different causes : On the one hand, to the fact that the largest areas belonging to the Crown are to be found in the provinces of Samara and Astrakhan where works of irrigation of very complete character, and, consequently, demanding considerable time for their execution are required, in order to render the land set apart for sale suitable for colonisation, so that, when once the areas with natural water supply have been sold, years have to pass before the remaining areas are "prepared" ; on the other hand, the fact that, in order to avoid the speculation to which the low price of the land too often gave rise, the Agrarian Commissions have decided only to sell the parcels they have available to peasants, who, after they have cultivated them for two or three years as simple tenants, show that they are firmly decided to establish themselves definitely on the land and are capable of working it in a really proper way. This latter plan adopted in 1911 has of course temporarily reduced the amount of the sales. The figures for the year 1913 show that this transition period is already past and that, at the end of their probationary period, the peasants accepted as simple tenants have been able to arrange for definite purchase of the land.

B. *" New Establishment" Subsidies and Loans.*

However advantageous for the peasants may be the rearrangement of the innumerable parcels of former days as single holdings, this operation none the less entails, above all at the start, certain sacrifices of an economic character. The elimination of parcels uncultivated on account of their remoteness without doubt increases the area under cultivation, but on this very ground it means a corresponding increase in the amount of live and dead stock. The abolition of collective pastures and collective cultivation necessitates enclosure with hedges and fences. The concentration of the holdings as single farms necessitates transport thither of the various farm buildings formerly scattered over the numerous parcels. And in all these and many other cases the final result is often so considerable an expense that the peasant, no longer able or willing to meet it, prefers to renounce the benefits of readjustment.

To obviate the difficulty, the Government, since the application of the reform, has granted assistance in money to those peasants who desire that their farms may be reorganised on the most perfect though the most expensive system contemplated in the reform. The Agrarian Commissions are entrusted with the grant of this " new establishment assistance ", now regulated by law of June 16th., 1912.

The " new establishment assistance " takes the two different forms of loans on favourable terms, that is long term loans at low interest, and free grants not to be repaid.

From the first application of the reform up to January 1st., 1914, the total number of heads of families who have applied for such assistance under one or other form reached the figure of 567,310. Of these 54 %, that is, 307,365 heads of families have had their applications granted : 257,680 under the form of loans altogether amounting to 25,649,210 roubles and the remaining 49,685 under that of free subsidies not to be repaid, of a total value of 1,170,992 roubles. The total amount of such assistance granted by the Government during the whole period under consideration was, therefore, 26,820,208 roubles, or 71,341,753 frs.

The two following tables give details of this assistance.

TABLE XIV. — *Number and Percentage of "New Establishment Grants and Loans" made between* 1906 *and* 1914.

Total Number of Peasants to whom Individual Holdings have been Assigned	Number of Applicants for Assistance		Number of Grants and Loans Made		
	Total	Percentage of those Entitled	Total	Percentage of Applicants Entitled	Percentage of Applications
1,113,057	567,310	50.9	307,365	27.6	54.2

TABLE XV. — *Classification of the "New Establishment" Assistance Granted between* 1907 *and* 1914.

Years	Loans on Terms of Favour				Subsidies not to be Repaid				Total			
	Applications		Amount of Loans Granted		Applications		Amount of Subsidies Granted		Applications		Amount of Assistance Granted	
	Received	Granted	Total in Roubles	Average per Loan Granted	Received	Granted	Total in Roubles	Average per Subsidy Granted	Received	Granted	Total in Roubles	Average Individual Amount Granted
1907	6,858	1,449	56,006	38.6	1,811	582	20,199	34.7	8,669	2,031	76,205	37.5
1908	26,966	11,706	740,697	63.3	3,490	1,435	83,678	58.9	30,462	13,141	824,375	62.7
1909	78,711	43,061	3,731,490	86.6	9,777	4,890	216,277	44.2	88,488	47,951	3,947,767	82.3
1910	69,731	42,887	4,013,310	93.5	18,003	9,725	273,573	28.1	87,734	52,612	4,286,883	81.4
1911	91,294	48,567	4,911,040	101.1	25,354	15,468	270,870	17.5	116,648	64,035	5,181,910	80.9
1912	90,239	54,761	5,754,023	105.0	21,247	13,050	229,736	16.5	111,486	68,711	5,983,759	87.1
1913	110,479	55,249	6,442,650	116.6	13,344	3,035	76,649	21 1	123,823	58,884	6,519,309	110.7
1907 1914 . .	474,278	257,680	25,649,210	99.5	93,032	49,685	1,170,992	23.6	567,310	307,365	26,820,208	87.2

The last table reveals the rigorous application of one of the fundamental principles of the whole reform, that of only granting assistance entirely free in quite exceptional cases, so as to prevent the demoralising effect of such assistance in habituating the population to rely less on their own strength, energy and work than upon an assumed obligation on the part of the Government to assist the needy. Whilst the number and average amount of the subsidies not to be repaid diminish from year to year, those granted under the form of loans on favourable terms, on the contrary, increase both in number and in average amount, and in such proportion that, in spite of the decrease in the free subsidies, also the total amount of " new establishment " assistance continually increases.

§ 8. Conclusions.

The first conclusion we may draw from the study of all the tables given in § § 6 and 7 is that there has been a really phenomenal activity displayed by all the executive authorities of the great agrarian reform. Even if we only consider the proposals definitely approved, that is to say works of readjustment satisfactorily concluded, the total area the Agrarian Commissions have succeeded in reorganizang thoroughly during the first seven years of their existence none the less amounts to the immense figure of 13,000,000 deciatines, an area equal to that of all the cultivated land of Italy and Greece together, and of these 13,000,000 deciatines 3,000,000 were reorganised during the last year of the period (1913). This means that even if the activity of the Agrarian Commissions remained henceforth stationary at the present level of intensity, thirty four years would suffice to complete the agrarian reorganisation of all that still remains of the " nadiel " land. But as, on the contrary, there is every indication that the work of the Agrarian Commissions will be further intensified, it is not exaggeratedly optimistic to anticipate that the Russian agrarian reform, the most gigantic work of land reorganisation known to history, will be terminated within twenty or twenty five years.

But, it will be said, has this activity, of an intensity previously unheard of, given results of corresponding quality?

It would be easy to answer the question by simply citing the united affirmative testimony of the principal economists who have studied the question in recent years, that is since the results of the reform became appreciable. Auhagen, Hoetsch, Perger, Wieth-Knudsen and Wiedenfeld (1), to mention only the most recent non-Russian authorities, are unanimous in their admiration of the work of the Commissions.

(1) See Auhagen, Dr.: " Zur Beurteilung der russischen Agrarreform " (in " Russlands Kultur und Volkswirtschaft "), Hoetsch, Perger, and Wieth-Knudsen, opera cit., and Wiedenfeld, K.: " Russlands Stellung in der Weltwirtschaft " (in " Russlands Kultur und Volkswirtschaft ").

However valuable may be the opinion of these theorists, still we prefer that of the Russian people themselves, as they are more directly interested in the matter and in a better position to estimate the immediate consequences of the work of the Government. Now it is enough to cast a glance at the column in Table I showing the annual increase in the number of applications for intervention made by the peasants to the District Commissions to convince ourselves that the Russian people are indeed satisfied with the work of the executive bodies of the reform. In fact, if such were not the case, it is evident that the number of applications presented during the last two years, after the results obtained in the preceding years were known, would not have been alone equal to that of the applications of the same kind presented in the course of all the years before 1912 (1).

We have, besides, still more decisive evidence of the favourable opinion entertained by the Russian peasants in regard to the work of the Agrarian Commissions, provided by the statistics of the appeals against their decisions. In order not to weary the reader by further statistical data, let us confine ourselves to the statistics of the appeals against the decisions of the Commissions in 1913, which we give below :

TABLE XVI. — *Appeals Against the Decisions of the Agrarian Commissions in* 1913

Object	Agrarian Reorganisation Property so-called	Pecuniary Subsidies for Reorganisation	Sale of Crown Land	Land Operations through the Medium of the Peasants' Bank	Miscellaneous	Total
Decisions	85,832	64,833	4,454	9,243	36,607	208,719
Appeals	2,778	1,337	146	267	208	4,817
Proportion of Appeals to Decisions	3.3	2.1	3.3	4.9	0.5	2.3

In our opinion this table contains the most definite judgment on the work of the Agrarian Commissions. If we take into consideration the complex nature of the operations executed by them, if we remember that these operations affect much more than the "nadiel" land, their action even extending to the field of private landed property, whether individual or not, we shall see clearly that the comparatively insignificant number of appeals presented is the best proof of the tact, the equity and the care with which the conscientious work of all the various executive authorities of the reform has been carried out

(1) See Table 1.

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It would be in the highest degree interesting to close the present study by a general criticism of the whole of the great reform which we have just outlined. Unfortunately it is even today as yet out of the question. Although the action of the Agrarian Commissions has been so energetic, the area of the land reorganized up to the present is still insignificant in comparison with the total area to be reorganised (1). And the same may be said in regard to home colonisation, the indispensable supplement of land reorganisation.

The work both of the Peasants' Bank, for the European provinces (2), and of the Emigration Bureau, for those in Asia (3), is only now beginning. It would then be absolutely premature now to judge as a whole a work of which the first effects are only beginning to show themselves.

The results obtained up to the present enable us, however, to approach one of the questions in regard to which the differences of opinion between those responsible for the Government programme and their opponents have been most radical and most violent.

We indicated above (4), as one of the measures richest in consequences of the whole reform, that of the suppression of the traditional Russian system of collective family holdings and the assignment of the lots reorganised as *personal* property to the head of the family alone. In this measure the opposition saw at once an injustice and a danger ; an injustice, as in this way all the members of the " hearth " except the head of the family were deprived of positive rights of ownership without any kind of compensation ; and a danger because the mass of peasants thus dispossessed would inevitably lead to the formation of an immense agricultural pauper class.

As regards the injustice, it must not be forgotten that under the ancient patriarchal system of collective family ownership, the " rights " of the subordinate members of the family over the collective property were of the most uncertain nature. They could not on any pretext be transferred to anyone outside the family, and even within the family they could only be exercised in accordance with the will of the head of the family, who alone represented the " hearth " in the all powerful meeting of the " Mir ". If they remained in the family, the younger members had to work the collective land, with the sole reward of sharing in the collective life of the family.

(1) The situation of the land on January 1st., 1914, may be shown in round numbers, as follows :

Total area of " Nadiel " land.	117,000.000	Deciatines	
Area for which projects of reorganisation had been drafted.	26,000,000	»	or 22.22 %
Area for which detailed proposals had been drawn up	18,000,000	»	or 15.39 %
» » the proposals had been definitely approved	13,000,000	»	or 11.11 %

(2) Cfr. the pamphlet of the Russian Chamber of Commerce at Paris above quoted.

(3) Cfr. the article " Home Colonisation in Siberia in 1913 ", in the number of this Bulletin for March, 1913.

(4) Cfr. § 3.

If, on the other hand, they left home, for example to engage in industry, they could neither transfer their shares in the collective property to outsiders nor claim any revenue from them. In this last case, their rights became absolutely illusory and to deprive them of them was only depriving them of a fiction. In the first mentioned case, however, their "rights in the collective property" in fact reduced themselves to the mere right of participation in the collective indigence (1).

Theoretically, doubtless it is "unjust" to deprive the peasant even of a right of so little value. Practically, however, this injustice is remarkably reduced by the liberty accorded to the former "family serf", and the prospect opened to him of fairly paid labour.

In fact, we have just seen that, while in enjoyment of his "rights", the peasant is bound to the family, and obliged to work the collective lot without remuneration. When he is deprived of these rights, the peasant who is not the head of a family becomes, on the other hand, a free man, who may offer his services to the highest bidder. And as on the other hand this liberation deprives the heads of families of their former free labourers, indispensable for the cultivation of the farms now become their individual property and considerably extended in area (2), it follows that the "family serf" of yesterday will find somewhere, and now for regular pay, occupation assuring him of an existence materially far better than that to which he was condemned under the ancient system (3).

In other words, the suppression of the system of collective family property must necessarily end and, indeed, has ended in the formation of a class of *independent agricultural labourers*, corresponding in every way with similar classes in other countries.

Let us now see if there is really ground for fearing that this class may gradually degenerate into one of agricultural paupers.

Theoretically nothing justifies such an idea *a priori*. The suppression of rights in the collective family property or what comes precisely to the same thing, the emancipation from family serfdom, has modified the *conditions* of labour but in no way affected the number of rural labourers. There are today as many independent agricultural labourers in quest of work as there were formerly unremunerated co-proprietor serfs. And as the *area* of the land is in no way affected, there is no reason why it should not be able to support the labourers it supported before.

Practically, however, the matter is somewhat more complicated. As they are henceforth obliged to pay their labourers, the proprietors will of course endeavour to reduce their number as far as they can. The applications for work will therefore far exceed the number of available places, and

(1) To form an idea of what this "collective indigence" really was, see the section "Economic Circumstances of the Colonists before Emigration" (§ 3) of the article "The Economic Results of Home Colonisation in Siberia", in the number of this Bulletin for May, 1915.

(2) By the union in single holdings, consequently capable of being completely cultivated, of all the parcels the most remote of which, as we know, remained uncultivated.

(3) Cfr. Table XVII.

in the immense mass of those who lose their rights there will always be thousands and thousands who will no longer find employment, at any rate not on the farms that formerly supported them.

Thus the question is whether all these unemployed can find work elsewhere.

Two entirely different possibilities are open to the surplus farm labourers in the provinces in which the reform is applied. The first is colonisation, whether in Europe or beyond the Urals, which enables the most energetic of the unemployed to establish themselves as independent farmers and the less enterprising to find employment under them. The second is rural exodus, engagement in other occupations and especially in factory work.

As regards colonisation, we have already in several previous articles in this Bulletin indicated its enormous importance as an outlet for the surplus agricultural population of Russia in Europe. Thus, since the reform considered began, 3,500,000 peasants have established themselves in Siberia alone (1). In the Caucasus 600,000 deciatines of farm land, suitably " prepared ", have already been distributed (2). Finally, in the European provinces of the Empire the Peasants' Bank on the one hand (3), and the Agrarian Commissions on the other (4), have transferred to the peasants who have lost their rights to collective property, 4,500,000 deciatines of land purchased from the Government or the Nobility, or an area equal to more than half that of the land adapted to cultivation in Italy.

In the absence of detailed statistics, the importance of rural exodus and the adoption of other than agricultural employments cannot be accurately shown in figures. Considering the remarkable development of industry in Russia (5), above all during the period with which we are concerned, there is certainly no exaggeration in estimating the number of the new openings created by industry alone at about half that offered by colonisation.

Let us further note that both colonisation and industry are still only in the first stages of their development. The possibilities of establishing themselves they offer the surplus farm labourers only increase from year to year, whilst on the other hand the surplus farm population, to some degree an independent fact of many years' standing, will soon gradually decrease, in proportion as new openings are offered it. There is, therefore, no doubt that if the measures taken by the Government against the danger of the formation of an agricultural pauper class have been sufficient up to the present, they will only be increasingly so in the future.

(1) Cfr. KLUMBERG, W.: Die Kolonisation Russlands in Sibirien.

(2) See the article already mentioned in the number of this Bulletin for October, 1914.

(3) According to an article by G. R. SNELLMAN on Russian Agrarian Reform (Agrarfrågan och agrarreform i Ryssland) in number 1-2 of the " Ekonomiska Samfundets Tidskrift " of the present Year (p. 73) the Peasants' Bank had bought, divided and resold to peasants 3,200,643 deciatines of land on January 1st., 1913.

(4) See above § 7. A.

(5) Cfr. POLEJAJEFF, op. cit.

Now, one of the best proofs of the non-existence of an agricultural pauper class in Russia today is provided by the following table, indicating the increase of the average amount of the wages of the rural labourers in the provinces in which the reform has been applied.

TABLE XVII. — *Average Rate of Agricultural Wages in Russia* (in kopeks) (1).

Years	Working Day of Man and Beast	Working Day for Men		Working Day for Women	
		with Board	without Board	with Board	without Board
1901-1905	140	58	70	37	51
1906-1910	159	66	80	43	54
1911	170	67	87	45	57
1912	197	77	94	52	66
1913	213	87	97	58	73

It is evident that such a rapid rise in agricultural wages would have been impossible if the first result of the new great agrarian reform had been to give the country an enormous unemployed class of rural paupers.

And so we may consider the principal and most serious objections formerly made to the Government scheme as having been definitely refuted.

We shall not stop to consider the others, as they are all of minor importance. Let us confine ourselves in conclusion to saying that the most immediate result of the great agrarian reform of 1906 has been to re-establish more and more completely the tranquillity of the Empire, with the total disappearance of those agrarian disturbances which have desolated Russia, the formation of a large and vigorous class of independent peasant proprietors and a considerable increase in the general well being of the other rural classes. What better proof can we desire of the efficacy of the group of Government measures in which the reform consists?

(1) Cfr. the "Recueil de données statistiques et économiques, sur l'industrie agricole en Russie", already mentioned, pp. 508 et seqq.

MISCELLANEOUS INFORMATION RELATING TO AGRICULTURAL ECONOMY IN GENERAL IN VARIOUS COUNTRIES.

FRANCE.

1. — The new tax on unbuilt on land. — The law of March 29th, 1914 on the tax on land built on and not built on and the tax on the revenue from French and foreign personal estate provides, in its first article that from January 1st., 1915 the proportions paid by the departments, arrondissements and communes for the land tax on unbuilt on land will no longer be fixed and the tax will cease to be a fixed assessment of these divisions.

By the new law the tax on unbuilt on land is levied since January 1st., 1915 in proportion to the yield from the land as shown by tariffs established, according to the nature of the crops and the land, in accordance with article 3 of a law of December 31st., 1907; for the purposes of the tax the revenue will be estimated at one fifth less than it is. The tax on unbuilt on land is fixed (art. 6. of the law of 1914) primarily at 4 % of the taxable revenue established as above. The same law provides that, after 1915, centimes additional to the principal amount of the land tax (on land built on or not built on) shall no longer be collected. In regard to the additional departmental and communal centimes, article 26 of the law of March 29th., 1914 provides that they shall be fixed as follows: " The principal amount serving each year after 1915 as the basis on which to calculate the total amount per commune of the departmental centimes additional to the taxes on land built on and unbuilt on will be fixed as a proportion of the total taxable revenue, uniform for all the communes of the same department. This proportion will be the average proportion for all the communes of each department, for the two taxes together, of the principal amounts, which, according to the provisions in force previously to the present law, would have served as basis in 1915 for the calculation of the local taxes and the corresponding amount of taxable revenue actually included in the general lists for the year. The total amount of these centimes additional to the land tax shall be, in each commune, calculated according to the principles followed in calculating the total amounts of departmental centimes." The departmental and communal centimes additional to this tax came to 162,108,375 frs.

The transformation of the tax effected will have an appreciable effect on the public finance. The tax on unbuilt on land, before the reform,

brought in 115,265,635 frs. to the State; since then it only produces 65,465,701 frs. representing a decrease of 49,799,934 frs. Of this amount, 1,978,655 frs. was levied on land attached to buildings and yards no longer liable, under the new system, to the tax on unbuilt on land. Allowing for this deduction, there is in round numbers a decrease of 48,000,000 frs. or 42.21 % of the former tax, considering only the proportion due to the State, and, in consequence of the provision mentioned above regarding the departmental and communal centimes, 30.28 % for the total tax on unbuilt on land.

The number of persons affected by this reform is considerable. The Minister of Finance has attempted to ascertain it. After deducting from the total number of the land tax payments (13,440,226), by communes: 1st. those for undivided holdings; 2nd. those of the same proprietor, with the exception of one; 3rd. those of landholders not domiciled in the commune (5,727,454); there remained 6,806,319 payments. This latter figure had to be subjected to further modifications. There had to be added: 1st. the number of the co-proprietors in cases of holdings undivided who had not been individually taxed; 2nd. that of the proprietors not liable to land tax in the commune in which they live; thus, a total number of 7,520,622 rural landholders has been arrived at. This is then about the number of those affected by the reforms, but the figure is liable to further correction.

(Summarised from an article by M. Edouard Payen in the *Economiste Français* of March 13th., 1915).

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2. — REQUISITION OF GRAIN. — The Parliamentary Committee on the Estimates, on May 6th. interrogated M. Viviani, the Prime Minister and M. Thomson, the Minister of Commerce on the proposals of credits for the service of food supply for the civil population. The following is the official communication on the subject:

" After attentive study of the situation of the stock of grain, made by the Committee after the statements made and documents supplied by the Prime Minister and the Minister of Commerce, it was ascertained that the amount now existing in the country and purchased abroad by the Government incontestably exceeds the requirements of the civil and miliatry population up to August 15th. when the new harvest will begin.

To prevent speculation and all attempts to monopolise the grain and provide against an artificial increase in the price of bread, the Government, in agreement with the Committee on the Estimates, which urged its adoption of the measure it judged indispensable, has decided:

1st. To requisition the whole stock of grain in the whole country wherever it is to be found;

2nd. To organize in each department, through the medium of the prefects and the mayors, the retrocession of the corn requisitioned and the

sale of that bought at the same price fixed for the requisitions for the whole of France.

The consequence of these two measures will be, that in all the Communes, a decree of the Mayor will fix the price of bread at a low rate, almost the same for the whole country.

There is reason for congratulation that, thanks to these measures, the price of bread in France will remain very appreciably below what it is in other countries of Europe, without the consumption being at all limited, and without the quality of the bread being at all affected. "

In pursuance of the above Ministerial instructions, the prefects in all the departments have issued orders calculated to ensure the requisition of grain and the supply of bread for the civil population, as follows: " From the 20th. of May, the price of flour, fixed from time to time by the prefect, shall be strictly in proportion to the cost price at the mill and the waste.

Similarly, from the 24th. of the same month, the price of bread, fixed in each commune by municipal decree, shall be based, in accordance with local usage, on the price of the flour or of the grain.

In accordance with the decision of the Government, the maximum price of grain shall be 32 francs the quintal, in barn or storehouse, on the market or in truck, and cannot be exceeded. Fifty centimes per quintal is allowed for carriage in the case of delivery at the mill.

Everyone in posession of grain, whether farmer or dealer, is invited to sell his stock to the millers of the district, according to their requirements, or, if there are no purchasers, to offer it at the prefecture.

The millers on their side must privately purchase enough to keep their mills constantly working, and, if they cannot do so, must advise the prefecture of what they need.

Owners of grain are informed that if they do not sell privately, their stock will be requisitioned by the Committee of Supply, by order of the prefect, in virtue of the special powers granted to him.

The farmers who have not yet finished threshing, in spite of the formal instructions repeatedly issued by the Government and the various facilitations granted for the purpose (Exceptional extension up to May 15th. of the period for consignment to the threshing contractors, special leave to the territorial troops, offer of available threshing plant etc.), run the risk, if they do not at once complete the work with their own resources, of having their corn requisitioned, in sheaf under conditions that will not be advantageous for them. "

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3. — Foundation and commencement of work of a national agricultural labour office. — The institution of an Agricultural Labour Bureau has been considered by the Government from the beginning of the present war. From the first the Agricultural Department endeavoured to find work for those unemployed owing to the closing of factories. As at the time when the supply of labourers was increasing the Government had removed to Bordeaux, this official attempt was necessarily abandoned.

But several private organizations followed the example set and sought to find employment for the agricultural labourers. These were the French Farmers' Central Syndicate, the Paris-Lyons-Mediterranean and Paris-Orléans Railway Companies, the Belgian Labourers' Protection Committee etc.

At the Musée Social there was instituted, more especially for the employment of refugees, a committee for equalising supply and demand for labour which became latter the Refugees' Agricultural Labour Committee.

This Committee was a branch of the Refugees' Central Committee, formed at the Home Office, and was managed by a group of representatives of agricultural societies, under the presidency of M. Méline.

Each of these organisations rendered services in accordance with its means.

Then the Refugees' Agricultural Labour Committee requested the assistance of the Minister of Agriculture in developing its rudimentary organisation. The Minister at once promised his assistance, obtained an office for it in the Ecole des Beaux-Arts (*Fine-Arts School*) and, on March 15th., the National Agricultural Labour Office was opened, under the patronage of the Agricultural Department and the large central farming societies.

It began with the archives of the National Protection Society for the Employment of Agricultural Labourers generally and Foreign Labourers and of the Agricultural Labour Committee for the Employment of Refugees. As regards plant, the National Protection Society for Agricultural Labour placed at the disposal of the office all the necessary office furniture, equipment, typewriters etc.

To meet its expenses, the National Agricultural Labour Office has up to the present received. :

(1) A subvention of 12,000 frs. from the Agricultural Department;

(2) From the Agricultural Societies, in order of payment : National Protection Society for Agricultural Labourers, 5,000 frs.; Agricultural Academy, 500 frs.; National Society for the Encouragement of Agriculture, 500 frs.; French Farmers' Society, 500 frs.

The Office has made its object and its work known by means of numerous communications to the Press, and posters to be seen nearly everywhere, with excellent results, for thus many applications for work have come in.

On the other hand, lists of French and Belgian agricultural refugees have been received through the Home Office.

These refugees are offered work individually. Attempt is made to make use of all available hands.

Between the fifteenth of March when the Office opened, up to the thirtieth April, the following results had been obtained :

Offers of Employment	5,847
Applications for Employment	2,817
Offers of Employment to Single Men or Heads of Families and the Labourers accompanying them	2,194
Number of Children unfit for labour accompanying them	611

In order to decentralise its action and ascertain the requirements for the whole territory, the Office is trying to promote the foundation of an agricultural labour committee in each Department. A very large number of departments have already responded to its appeal, as there are already sixteen departmental committees.

The Office is now making a great effort to promote the immigration of foreign farm labourers. We shall return to the matter at an early date.

PROTECTORATE OF MOROCCO.

PROTECTION OF FORESTS IN MOROCCO. — To put a stop to the depredations of the natives in the forest of la Mamora, where they burn charcoal and sell the wood, tan and cork, the Department of Waters and Forests has prepared, in union with the officers of the Information Service of the districts concerned, regulations which have been embodied in a decree published in the Official Bulletin of the Protectorate for January 9th., 1914.

According to this decree, no one may burn charcoal in the Western portion of la Mamora, unless authorised by a special certificate showing his name, residence, the situation of the kilns and the period of his sojourn in the forest. This authorisation may not be given for a period of more than three months and is supplied by the local administrative authority after consultation with the Department of Waters and Forests.

Cork trees and generally all live trees in the forests can only be cut by those in possession of similar authorisation. Natives' rights are, provisionally, exempted from all charges.

Exploiters of tan and cork trees must obtain a similar authorization. It is forbidden to bark standing cork trees. For transport and sale a permit is required available for a maximum period of a fortnight.

The regulations in regard to tan apply in all particulars, except, of course, the rule in relation to standing trees, also to virgin cork and the produce of later barkings of cork trees.

To ensure the carrying out of these regulations, the Department of Waters and Forests has decided on the creation of three forest brigades, consisting of three French officials and five natives to assist them.

(Summarised from the *Bulletin Economique du Maroc*, published by the *Service Economique* of the *Résidence Générale*, January-February, 1914).

ITALY.

RECENT PROVISIONS FOR THE IMPROVEMENT OF MOUNTAIN PASTURES. — By Royal Decree (no. 589) of May 6th., 1915, the Minister of Agriculture, Industry and Commerce was authorized to grant prizes for the carrying

out of works for the improvement of mountain pastures (1). These prizes will cover 25 or 30 % of the expenditure actually incurred. As works of improvement will be considered, the clearing of the soil of plants and stones, draining of marshes, irrigation, manuring of the soil with chemical manure, sowing of cattle foods, the erection of buildings for employees and for treating and storing produce, barns for hay, stables and sheds, and drinking fountains for animals, the construction of roads; the systemising and consolidation of the soil, the provision of rain and spring water; and, generally, every work directed in a manner recognised as efficacious for the establishment, systemising on scientific principles and utilisation of mountain pastures and the improvement of their production.

The expense of the prizes will be met out of an annual amount of 500,000 francs for five years, beginning with the year 1914-15, entered on the estimates for the work of the Government Forest Domain (2).

For the execution, of the above works of improvement of mountain pastures on land belonging to Communes, the Communes, in addition to the above prizes, may also obtain loans from the *Cassa dei Depositi e Prestiti* on terms of favour, at 2 % interest repayable in instalments in not more than thirty years. During the first five years the communes will only pay interest; in the 25 years following, with the interest they must pay the instalment of the debt. They will, however, always have the right to extinguish their debt at an earlier date.

The *Cassa dei Depositi e Prestiti* will receive interest of not more than 4 % on the amounts lent. The difference between this interest and that paid by the communes borrowing on terms of favour, will be entered on the estimates of expenditure of the Government Forest Domain.

The loans on terms of favour to be granted to the Communes may not exceed the total amount of 1,500,000 frs. per annum, for a term of five years beginning with the year 1914-15. The eventual balance out of the amount authorized either for the prizes or the loans shall go to increase the amount for the next year.

(1) See *Gazzetta Ufficiale del Regno d'Italia*, Rome, No. 115, May 8th., 1915.

(2) The fundamental principles of the Italian Forestry Legislation were dealt with by us in two special articles in the numbers of the *Bulletin of Economic and Social Intelligence* for July and August, 1911.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO AGRICULTURAL ECONOMY IN GENERAL.

AUSTRIA.

SCHMID (DR. FERDINAND) BOSNIEN: UND DIE HERZEGOVINA UNDER DER VERWALTUNG ÖSTERREICH-UNGARNS. (*Bosnia and Herzegovina under the Austro-Hungarian Government*). Leipzig, 1914. Published by Veit & Co. large 8vo. pp. VIII + 832.

To the literature on the subject of Bosnia and Herzegovina, with which we dealt in this Bulletin when considering the Report of the Department of Finance of the Dual Monarchy (1) must be added this large volume of Prof. F. Schmid's, dealing very competently with the constitution and administration of the two provinces and supplying abundant statistics. It is an eminently scientific work, differing therefore both from the Departmental Report above mentioned, the character of which is essentially practical, and from the "*Wirtschaftlichen Führer durch Bosnien und die Herzegovina, herausgegeben vom österreichisch-bosnisch-herzegovinischen Interessen-Verband in Wien*" (2) which, though rich in facts and information, is only a guide to the public economy, agriculture, finance and social life of the two Balkan provinces subject to Austria.

Dr. Schmid, after illustrating the constitution of Bosnia deals in fourteen chapters, with the administration of the territories, introducing each chapter and every subject treated with an acute and exhaustive analysis of the legal institutions existing before the Austrian occupation. In this way the logical and historical connection between the present institutions and those previously existing is preserved and brought into suitable relief, in so far as the earlier institutions served as the foundation for the new situation introduced by the Monarchy in the regions occupied.

We cannot occupy ourselves with the work in detail. It deals equally extensively with the administration of justice, and with the police, public health, agriculture, forests, mines, industry, trade and finance from the administrative point of view. Certainly what interests us most is the portion treating of the administration of agriculture and especially the chapter devoted to the agrarian constitution, but even this subject involves problems

(1) See Monthly Bulletin of Economic and Social Intelligence, Year V. No. 11. November, 1914.

(2) Vienna and Leipzig. A. Hartleben, publisher, 1913, pp. 56.

both vast and replete with difficulties, as for example the whole question of the enfranchisement of the Kmeti (*Kmetenablösung*), so difficult that it is not possible to give an idea of it without entering into too detailed an examination of the whole of this legal system, still too little known and studied.

In this connection we shall only say that the work of the Government culminated in the law of June 13th., 1911, on the permissive enfranchisement of the Kmeti ; but of this law and the results of its application we intend to speak at greater length in a future article.

BRITISH INDIA.

ANNUAL REPORT ON THE PUNJAB COLONIES : For the year ending 30th September, 1914. Published by Authority. Lahore : " Civil and Military Gazette " Press. 1915. pp. 58. folio. price 7d.

In the January number of our *Bulletin* there appeared an article by Sir James Douie on " Canal Colonies in the Punjab ", in which the most recent figures presented related to 1913. The present volume carries out information as to the progress of these Colonies down to 30th September, 1914, and although (like most Indian reports) it is severely critical and dwells more upon the problems which remain to be solved than upon the results already achieved, it shows none the less clearly that both the older and the newer canal colonisation schemes have proved remarkably successful. So successful, indeed, that in Lyallpur, proprietary rights in 10,000 acres of land changed hands at prices which yielded the vendors — the original grantees — a clear profit of 15 lakhs of rupees. The prices obtained for land sold at auction during 1914 show substantial increases over previous years, except in the case of the Upper Chenab Colony, where, however, it has to be noted that the land sold was of inferior quality. For land in the Lower Bari Doab Canal competition was extremely keen and an average price of Rs. 275-12-0 per acre was obtained for over 18,000 acres — a price which in the opinion of the Revenue Secretary is " somewhat inflated. "

A certain proportion of the holdings or " squares " in the Colonies are held by grantees upon what are termed horse-breeding or mule-breeding conditions. The grantees in these cases are permitted to occupy additional " squares " of land upon condition that they engage in breeding mules or horses as remounts for the army. This part, too, of the various Canal Colony schemes has given excellent results and the Army Transport Officers have been highly pleased with both the number and the quality of the remounts secured. It may be mentioned that owing to the present war the army has made very severe demands upon the breeders in the Colonies.

We shall have occasion to make further use of the Report in an article in a future issue of the *Bulletin*.

SPAIN.

AVANCE ESTADÍSTICO DE LA RIQUEZA QUE EN ESPAÑA REPRESENTA LA PRODUCCIÓN MEDIA ANUAL DE PASTOS PRADOS, Y ALGUNOS APROVECHAMIENTOS Y PEQUEÑAS INDUSTRIAS ZOÓGENAS ANEXAS (*Statistics of the Wealth represented by the Annual Production of Pasture Land, Meadows and Certain Utilisations of the Land and Small Secondary Industries connected with Livestock in Spain*). Summary published by the Agronomic Advisory Commission. Printed by G. Hernández' Sons, Madrid, 1914. 8vo. pp. 525.

To ascertain the average annual value of the agricultural wealth of Spain, the Agronomic Advisory Commission has decided on publishing the annual reports of the agronomic engineers of the various agricultural regions.

The volume, the title of which is given above, is a summary of the reports for the year 1914 relating to meadows, pasture land and small derived industries. The work is of extreme importance both on account of its size and of the information it contains. According to the tables, the average annual production of all the meadows, pasture grounds and other utilisations of the soil in Spain is to be valued at 458,536,605 pesetas. Among the details contributing to make up this total, the most important are : the production of natural grass areas, where the hay may be cut, the value of which amounts to 145,145,747 pesetas and that of the pasture lands amounting to 53,087,318 pesetas ; immediately after that comes the production of meadows.

Among livestock improvement industries, first in importance comes poultry improvement, the produce of which amounts to 172,188,509 pesetas a year ; next comes rabbit improvement, the annual production of which amounts to 38,527,105 pesetas ; then the improvement of pigeons, turkeys, geese etc. The value of the total average production of all small livestock industries in Spain is 249,672,162 pesetas. Of the thirteen agricultural regions of Spain, those of the East and of Catalonia are the most important in regard to their livestock improvement industries, their average annual production being 49,998,316 pesetas and 46,023,357 pesetas respectively.

UNITED STATES.

UNITED STATES DEPARTMENT OF AGRICULTURE. Office of the Secretary. (1) Social and Labour Needs of Farm Women. Report No. 103 ; (2) Domestic Needs of Farm Women. Report No. 104 ; (3) Educational Needs of Farm Women. Report No. 105 ; (4) Economic Needs of Farm Women. Report No. 106. 4 pamphlets. Washington : Government Printing Office, 1914.

In July, 1913, Mr. Clarence Poe, a well-known agricultural writer and editor, addressed a letter to the Secretary of Agriculture in which he expressed the following opinion : " The farm woman has been the most neglected factor in the rural problem, and she has been especially neglected by the National Department of Agriculture." The matter thus raised seemed to be one which called for closer investigation, and towards the end

of 1913 the Secretary endeavoured to find out, through the housewives in the homes of the Department's official crop correspondents, what really were the needs of the women on American farms. The housewives to whom the enquiry was addressed were invited to write to the Secretary a general letter explaining their needs and suggesting forms which the work of the Department might take with the object of meeting such needs. The replies received — just over two thousand in all — were carefully analysed and these four reports (Nos. 103-106, Office of the Secretary) consist of classified extracts from the letters written by these farm women.

In substance the reports contain little that is new to anyone who has made even a passing study of American agriculture. It did not need a special enquiry to establish the fact that farm women need, and have a right to demand, more conveniences and more comfort in their homes. that they want better schools for their children close by these homes, that they want better roads, better facilities for travel generally, more time and opportunity for reading and recreation, some instruction in domestic economy and in hygiene. some opportunity for them and for their children to listen once in a while to a good lecture or to good music, some prospect of enjoying an occasional holiday. These things are all well known already. But the extracts from the letters bring them home to us very directly and enable us to realise, perhaps for the first time, how hard is the lot of the housewife on the average American farm. They help us to realise, too, that there is no panacea for the rural problem, that rural betterment is only to be won slowly, through the persistent efforts of many workers inspired by a real desire to be of service.

GREAT BRITAIN AND IRELAND.

ORWIN (C. S.) : THE FARMER IN WAR-TIME. Oxford Pamphlets, 1914-1915. Oxford, 1915 The University Press. 20 pages.

In this little pamphlet Mr. C. S. Orwin, the Director of the Institute for Research in Agricultural Economics, discusses the effects of the War upon agriculture and the ways in which the farmer can best adapt himself to the changed conditions.

Recognizing that it was of the first importance to increase production, Mr. Orwin urges that too much emphasis was laid upon the desirability of cultivating more wheat ; that more wheat could not be grown without the sacrifice of some other crop and that wheat is not the only food appeared to be entirely overlooked. The farmers soon decided that their proper course was to continue farming in the manner which experience had shown to best adapted to their holdings, giving, in case of doubt, preference to wheat-growing. Acting on this principle, it only remained to them to leave nothing undone to secure the maximum production.

Although agriculture does not offer much scope for the establishment of new industries in commodities for which the country has hitherto relied upon enemy producers, there is one exception to this rule in the case of the

beet-sugar industry. It would be possible, Mr. Orwin thinks, to take advantage of the high prices now ruling for sugar to promote the cultivation of sugar-beet and the manufacture of beet-sugar. By the time prices returned to a normal level, the industry should be well established on a sound financial basis, and although large profits could no longer be expected, the farmer's economic position would be strengthened by the addition of another line of economic production.

Dealing with the labour problem, Mr. Orwin expresses the doubt whether it was wise to have encouraged recruiting amongst the young agricultural labourers. The effects of the shortage are already serious. The best way of meeting it would be the increased employment of agricultural machines. There are many labour-saving appliances which are by no means costly, and, for obtaining the more expensive machinery, the farmers could have recourse to co-operation. The war has not been the *cause* of the labour difficulty : it has merely brought it to a head." It may be, " says the author, " that the great disaster in which we are involved may give a great and much-needed stimulus to the further industrialising of British agriculture, and may do more to solve the problem of the rural worker than could have been accomplished in a generation by the operation of ordinary economic forces. "

ITALY.

INDICI ECONOMICI (*Economic Indexes*). Published by the Department of Agriculture, Industry and Commerce. Rome, Bertero, 1915. pp. 45.

This is a collection of economic indexes published by the General Inspector of Commerce, to show the degree and the direction of the changes in the conditions of the national economy by means of a series of figures indicative of certain fundamental functions of the economic life. The collection includes five groups of data, namely : 1st. Money Market ; 2nd. State Finances ; 3rd. Business ; 4th. Commerce and Industry ; 5th. Conditions of the Working Classes. The first group is divided into eleven series of figures, relating to the rate of discount of the institutes of issue and larger private institutes, the average monthly rate of exchange, the average quotations for Italian Government Securities etc. The third group contains four series of figures (transactions of the clearing houses, taxes on business transactions, graduated stamp tax on bills of exchange and other commercial bills, railway traffic). The fourth group consists of ten series of figures, showing the fluctuations of foreign trade, importation of coal and raw material for manufacture, exportation of partly manufactured goods and the rate of the principal industrial securities for groups of industries in the years 1912, 1913 and 1914. Finally, the fifth group dealing with the conditions of the working classes contains figures relating to postal savings bank deposits, consumption on the part of the working classes, the price of wheat, Italian oversea emigration and industrial and agricultural strikes.

RUGGERI ALFREDO, gerente responsabile.

INTERNATIONAL INSTITUTE OF AGRICULTURE

BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

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VIth. YEAR — NUMBER 8

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4. NOTES SUR LES STATISTIQUES DU COMMERCE EXTÉRIEUR DANS LES DIFFÉRENTS PAYS: Publications Statistiques, Territoires, Sortes de Commerce, Provenances et Destinations des Marchandises (Notes on the Statistics of Foreign Trade in the Different Countries: Statistical Publications, Territory, Kinds of Trade, Source and Destination of Goods). (1914, 96 pages, 16mo)	»	2 —
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Part I: Co-operation and Association

BRITISH INDIA.

THE PROGRESS OF CO-OPERATION IN INDIA IN 1913-14.

SOURCES:

ANNUAL REPORTS ON THE WORKING OF CO-OPERATIVE SOCIETIES FOR THE YEAR 1913-14, IN:
BENGAL. Calcutta: The Bengal Secretariat Book Depot, 1914.
MADRAS PRESIDENCY. Madras: Government Press, 1914.
BOMBAY PRESIDENCY INCLUDING SIND. Bombay: Government Press, 1914.
BURMA. Rangoon: Office of the Superintendent Government Printing, 1914.
UNITED PROVINCES OF AGRA AND OUDH. Allahabad: Government Press, 1914.
ASSAM. Shillong: Assam Secretariat Printing Office, 1914.
COORG. Mercara: Coorg District Press, 1914.
STATEMENTS SHOWING PROGRESS OF THE CO-OPERATIVE MOVEMENT IN INDIA DURING THE YEAR 1913-14.
PROGRESS OF CO-OPERATION IN INDIA IN 1913-14. *Madras Bulletin of Co-operation*. December, 1914. pp. 241-258. Triplicane, Madras.

§ 1. GENERAL PROGRESS: ALL SOCIETIES.

The rapid increase in the number of societies, which has from the start characterised the co-operative movement in India, continued during the year ending June 30th, 1914. Agricultural Societies increased from 11,382 to 14,538; Non-Agricultural Societies, from 691 to 806; Central Societies from 251 to 329. The laws dealing with co-operation in India have been examined, and the official organisation which may be said to have created the whole co-operative movement has been described in previous articles in

this *Bulletin* (1), and we shall here merely recapitulate briefly a few important points.

The act under which the movement was started in India was the " Co-operative Credit Societies Act, 1904 " which was repealed and replaced by the " Co-operative Societies Act, 1912. " The earlier act, as its title implies, contemplated only the formation of societies for the provision of credit, but after a few years' experience it became clear that it would be necessary to provide for the recognition of other classes of co-operative societies, — for purchase and sale, production and sale, insurance, etc. The act omitted also to make provision for societies or unions formed with other societies as members. These and other minor considerations led to the passing of the act of 1912 at present in force. Under it any society which has as its object " the promotion of the economic interest of its members in accordance with co-operative principles " may be registered as a co-operative society. In the case of a credit society the members (unless the Registrar shall otherwise direct) must reside in the same town or village or group of villages, or must be members of the same tribe, class, caste or occupation. Where the majority of the members of a credit society are agriculturists, liability, unless exemption be granted, must be unlimited, and where any member of a society is another registered society, liability (always with the same exception) must be limited. A registered society may not make loans to persons other than its own members, or, with the special or general sanction of the Registrar, to other registered societies.

The act of 1912, indeed, like the act which it replaced, is designed with a view to the requirements of credit societies; and the other branches of co-operation are, as a matter of fact, still quite undeveloped. Out of a present total of 15,673 societies, only 345 are non-credit societies.

The act of 1904 provided for the appointment in each province of an official Registrar for the carrying out of the provisions of the act itself and for the general direction and supervision of the co-operative movement. The Registrar is attached usually to the Revenue Department of the Provincial Government and draws up an annual report addressed to the Chief Secretary of that Department. He has in most cases the services of an Assistant Registrar and has at his dependence a considerable staff of auditors, inspectors and clerks. Societies are founded and, in general, the extension of the movement is promoted by honorary organisers who are in close touch upon the one hand with the Registrar and his staff, and upon the other with the members of the societies in their respective districts, and are the persons upon whom, in a great measure, the good government of the local societies depends. Thus, though the Indian co-operative movement was at the start in the nature of a new branch of Government activity undertaken in the interests of the poorer classes of cultivators, and though it is

(1) See the numbers of the *Bulletin* for December 1912; March, 1913; May and October, 1914.

directly and in a very real sense under official guidance and control, it is yet very far from being an artificially fostered movement. Government has fulfilled three functions: it has given prestige to the co-operative movement and been a guarantee of its genuineness; it has saved the movement from unsound and too rapid expansion; and it has furnished, in the form of repayable loans, a small part of the capital required by the societies. Of these three functions the last has probably been the least important. Government loans at the present time amount to only 1.4 per cent. of the total capital of the societies. Such a small amount might easily be obtained from some other source, but the security and prestige of the movement and the guarantee for its rigid control and able direction could come, in the early years at least, only from the British Government in India.

Although the Registrars have never failed to exercise a rigorous supervision over the registration of new societies, the increase in number has nevertheless been astonishingly rapid. The progress from the year ending June 30th, 1906, to that ending June 30th, 1914, is shown in the following Table:

TABLE I. — *Progess in Number of Societies, Membership and Working Capital.*

	1906	1907	1908	1909	1910	1911	1912	1913	1914
Number of Societies .	—	843	1,357	2,008	3,498	5,432	8,177	12,324	15,673
Total Number of Members	28,629	90,844	149,160	184,889	230,698	314,101	403,318	573,536	744,226
Total Working Capital	£ 32,000	£ 158,000	£ 294,500	£ 538,000	£ 827,000	£ 1,358,000	£ 2,238,000	£ 3,562,000	£ 5,144,000

The figures in Table I relate to all societies — Agricultural, Non-Agricultural and Central. In Table II below are shown certain particulars relating to the number of societies of all kinds, the composition of their total capital, and the nature of their disbursements in the year under review and in the previous financial year.

TABLE II. — *Abstract: All Societies.*

	1912-1913	1913-1914
I. — NUMBER OF SOCIETIES,		
Central	251	329
Non-Agricultural	691	806
Agricultural	11,382	14,538
Total	12,324	15,673
II. — NUMBER OF MEMBERS.	573,536	744,226
III. — CAPITAL.	*Rupees*	*Rupees*
Loans from private persons	1,33,62,788	1,98,35,727
Loans from other Societies	1,93,61,345	2,86,28,195
Share capital	86,19,793	1,22,99,082
Deposits by members	93,54,645	1,18,58,857
State aid	11,27,547	11,46,920
Reserve	16,08,143	34,01,803
Total	5,34,34,261	7,71,70,584
IV. — DISBURSEMENTS.	*Rupees*	*Rupees*
Deposits repaid to members	97,16,232	1,11,00,405
Loans repaid to private persons	86,39,346	1,46,09,880
Loans repaid to other Societies	75,62,011	1,11,05,776
Loans issued to members	2,78,10,688	3,48,30,175
Loans issued to other Societies	1,59,16,285	1,92,64,790
Interest paid on loans and deposits	22,12,097	33,55,644
Dividend and bonus paid	2,23,373	2,97,608
Establishment and contingencies	4,49,177	6,84,700
Other items	28,05,650	50,14,351
Total	7,53,34,859	10,02,63,309

(1) A rupee is equal to 1*s.* 4*d.* or 1 fr. 68. The figures are divided so as to show the number of lakhs, a lakh being 100,000 rupees.

In the table which follows we show how the figures in Table II are distributed by provinces :

TABLE III. — *Abstract : All Societies (by Provinces).*

Province	Number of Societies	Number of Members	Working Capital	Disbursements
			Rupees	*Rupees*
Madras	1,338	1,00,769	122,16,280	1,65,03,319
Bombay	715	68,677	65,68,794	1,21,19,893
Bengal	1,667	90,363	89,21,059	89,99,144
Bihar and Orissa	819	50,789	22,87,940	30,17,382
United Provinces	2,800	1,18,605	1,13,02,617	1,66,08,136
Punjab	3,333	1,60,892	1,80,44,399	1,56,96,797
Burma	1,359	36,051	64,87,068	92,35,620
Central Provinces	2,213	42,222	64,33,608	1,03,75,024
Assam	249	13,629	6,81,672	4,68,596
Coorg	31	2,839	1,02,393	98,230
Ajmer	357	11,162	14,85,835	21,33,685
Mysore	530	40,479	20,58,084	43,37,191
Baroda	262	7,749	5,80,775	6,70,292
Total ...	15,673	7,44,226	7,71,70,584	10,02,63,309

The figures here given relate to co-operative societies in all the British provinces except the North-West Frontier Province and Baluchistan. In the former the movement has so far made but little progress, while in the latter the Co-operative Societies Act has not yet been applied. Figures are included also for the Native States of Mysore and Baroda.

We are concerned particularly with the fortunes of Agricultural Societies and Central Societies and we shall, therefore, examine somewhat fully the progress of these two classes of societies in the year under review.

§ 2. AGRICULTURAL SOCIETIES.

(a) General Progress.

Out of 14,538 Agricultural Societies in British India at the end of the financial year 1913-14, only 174 were other than credit societies. This small number, according to class of societies, was distributed thus : purchase and purchase and sale 12 ; production 4; production and sale 78; insurance

69; other forms of co-operation 11. Again, with the exception of only 169 societies, all the Agricultural Societies are based on the principle of unlimited liability. The small village or neighbourhood credit society, in substance the Raiffeisen rural bank, is therefore the characteristic society of the Indian co-operative movement.

It is worth noting that in spite of an extraordinarily rapid increase in the number of societies the typical society, if we may judge from the average figures, remains substantially unaltered from year to year. The averages for membership, working capital, loans outstanding and loans granted remain wonderfully constant, which would seem to indicate that those responsible for the direction of the movement have already decided what is the most conveniently workable and effective unit.

We may show in tabular form the more important figures relating to Agricultural Societies in the last two financial years.

TABLE IV. — *Progress of Agricultural Societies.*

	1912-13	1913-14
Number of Societies	11,382	14,538
Membership:		
Aggregate	467,378	599,822
Average (per Society)	41	41
	Rupees	*Rupees*
Working Capital:		
Aggregate	2,90,18,634	4,03,62,672
Average (per Society)	2,549	2,776
Loans Outstanding:		
Aggregate	2,73,02,043	3,78,76,603
Average (per Society)	2,398	2,605
Loans Granted:		
Aggregate	2,26,66,825	2,70,44,455
Average (per Society)	1,991	1,860

(*b*) *Sources of Capital.*

It is a matter for legitimate congratulation that Government loans form but an insignificant proportion of the total capital of the Indian co-operative societies. In the table below it will be seen that the loans from Government

have fallen relatively from 9.1 per cent. of the working capital in 1910 to only 2.8 per cent. in the last financial year. To carry these particular figures back a little further, loans from Government, in 1909, formed 13.7 per cent. and, in 1908, no less than 19.5 per cent. of the total capital of the Agricultural Societies.

On the other hand the Registrars are by no means satisfied with the proportion to which the members' own deposits figure in the composition of the total capital. An extract on this connection from the report of the Registrar in Bengal might be applied to the situation throughout India generally. The Registrar says: "I confess, however, to a sense of disappointment that we have not been able to make a more rapid progress in attracting members' deposits. It is true we can hardly expect people who are over head and ears in debt to the money-lenders and who join societies with the object of borrowing money to put in substantial amounts of deposits. But if the members have a proper conception of the meaning and utility of deposits they should show more inclination to make use of their banks as a convenient and profitable place for investing their savings than they have hitherto done."

The proportion in which each source of capital has contributed to the total over a number of years is shown in the following table.

TABLE V. — *Agricultural Societies: Sources of Capital (Percentages).*

Source	Percentage of Total Capital				
	1910	1911	1912	1913	1914
Loans and Deposits from Non-Members .	16.5	13.7	10.8	11.2	9.2
Loans and Deposits from Other Societies	42.4	50.2	56.0	58.2	60.2
Loans from Government	9.1	5.5	4.4	3.5	2.3
Deposits of Members	14.9	14.2	12.4	10.3	9.0
Share Capital	14.1	13.3	12.8	13.2	13.2
Reserve Fund	3.0	3.1	3.6	3.7	6.1
Total . . .	100	100	100	100	100

It will be seen that "Other Societies" (for the most part central Societies established *ad hoc*) furnished more than 60 per cent. of the total working capital. This at least shows that the Central Societies have been successful in achieving the object for which they were designed; but there is a general impression that the dependence of local societies upon other

societies, however successful the other societies may be, should not be so marked. It will be seen, too, that this dependence has so far shown a constant tendency to increase, though it by no means follows that the increase will continue indefinitely. Such capital as exists in the villages is for the most part in the hands of money-lenders who at present are passively if not actively hostile to the co-operative societies. Gradually, however, the capital once furnished to the cultivators by the money-lender is being ousted from employment by the capital of the co-operative credit societies, and the private lender may find in time that the best investment remaining open to him is the placing of his money on deposit with the local co-operative society. It may be expected, too, that the members of a well managed credit society will gradually free themselves of debt and find that they have at least a small surplus of income over expenditure which they will be able to deposit with the society. Much of this surplus may, it is true, be absorbed by a rising standard of living, and it must be remembered, in that case, that the improvement in the ryot's condition is to be placed to the credit of co-operation and may reasonably be held to be more immediately desirable than any accumulation of savings deposits.

In the year under review there was a notable increase in the proportion between the reserve fund and the total capital. The present proportion of just over 6 per cent., however, must still be regarded as low. Moreover, it is still the general practice to employ the reserve fund as working capital though the Registrars are putting pressure upon the societies to invest their reserves quite apart from their own operations. In some provinces — in Assam and Burma, for example — part of the reserve fund is invested outside the societies, being either invested in Government bonds or simply placed on deposit with a central bank.

(*c*) *Loan Operations.*

Loans are granted to members in some cases without any security other than that offered by the borrower's character and reputation, in other cases on the personal security of fellow members, and in others again on mortgage—though loans against mortgage of any kind are relatively few. The lending procedure, where the local societies are federated in Unions, is thus described by the Registrar in Burma :

" When an individual cultivator obtains a loan from a society it is granted by the committee of the society on the consideration of the value of his property as security and of his industry and character for honesty. A man is not debarred from borrowing because he has no valuable property. When a society requires a loan from the Central Bank for the use of its members, it must obtain the consent of the Union of which it is a member. The consent of the Union (involving a guarantee by all the other societies comprised in the Union) is granted on consideration of the total value of the property of the members of the borrowing society, of the character of the society for punctual repayment, good management, and co-operative efficiency. The

application whether for a loan or a cash credit, is finally submitted to the Registrar for sanction, and is sanctioned in consideration of the character of the Union and its understanding of co-operative responsibility, and of the character and financial condition of the borrowing society as known to him by his own inspections and those of his staff."

Speaking generally the bulk of the loans are required for three main purposes — for cultivation expenses, for the purchase of plough cattle, and for the repayment of old debt. The proportions required for these purposes vary from district to district and from year to year, and loans are required also for various minor purposes such as the purchase of land, land improvement, house-building, trade and industry, payment of rent, maintenance, and marriage and social expenses.

The year under review was a year of drought with a scarcity of fodder in many parts of India, and in consequence an unusually large number of the loans were loans granted for the purchase of plough cattle to replace animals which had died or which had been sold during the slack season to save expense. The repayment of old debt absorbs a very large proportion of the loans each year, chiefly because many new societies are established in each year and the repayment of debt to private money-lenders is the first object for which the members seek the assistance of the society. In Madras, for example, the amount granted in loans for the repayment of debt was Rs. 11,56,712, while the amount granted for the purchase of cattle, the purpose which ranked second in importance, was Rs. 3,03,389. In Assam, repayment of prior debt accounted for Rs. 45,943, purchase of cattle for Rs. 32,919, expenses of cultivation for Rs. 22,353. Marriage and other social expenses account for a very small (and apparently diminishing) proportion of the total loans, and in some provinces it would seem as if no loans were granted to cover expenses for ceremonial occasions. In Bengal, for instance, the only purposes for which loans were granted during the year, in order of their importance, were payment of debts, maintenance, purchase of cattle, cultivation expenses, trade, and purchase of land.

Conditions as to the repayment of loans may be illustrated by quoting the regulations in force in Burma, which are as follows. Loans for subsistence, expenses of cultivation or seed are repayable in full at the next harvest; loans for cattle, house-building and debts of moderate amount are repayable either in two or in three annual instalments; loans for payment of debts of large amount and for the purchase or redemption of land are repayable in three or four annual instalments. All repayments or instalments are due after the principal harvests.

The rate of interest charged to members for loans varies from 9 3/8 per cent. in Bombay and Madras to as high as 18 1/4 per cent. in Assam. The most usual rates may be taken to be between 9 3/8 and 12 1/2 per cent. The societies offer from 6 1/4 to 9 per cent. on deposits, — rates which are not sufficiently high to prove attractive to the local capitalists, who generally prefer to employ their funds at a better rate on somewhat worse security.

The total amount of the loans granted by Agricultural Societies, in 1913-14, was Rs. 2,70,44,455, an average of Rs. 1,860 per society. As there

are, on an average, 41 members per society it will be seen that the single loans must be for relatively small amounts. The total amount of the loans outstanding on June 30th, 1914, was Rs. 3,78,76,603.

The total assets of all Agricultural Societies on that date showed an excess over total liabilities of Rs. 15,21,486.

§ 3. Non-credit agricultural societies.

It has already been mentioned that a small number of Agricultural Societies — 174 in all — are other than credit societies. Out of this number, no less than 122 (63 purchase and sale societies and 59 cattle insurance societies) are in Burma.

(a) *Cattle Insurance Societies.*

In addition to the 59 societies of this class in Burma there are 9 in Coorg and one in the United Provinces. The last-mentioned is described by the Registrar as an experimental institution under the control of the Budaun district bank. Two hundred and thirty-one members have joined the society but they are not entitled to any benefits until three years have passed from the date of their admission and the society has as yet no transactions to record.

The information available with regard to the societies in Burma and in Coorg is shown in the following table.

Table VI. — *Operations of Cattle Insurance Societies.*

Province	Class of risk insured	Amount of risk insured	Premia collected	Supplementary contributions collected	Losses deciared (animals)	Losses estimated	Claims paid	Cost of management
		Rs.	*Rs.*	*Rs.*		*Rs.*	*Rs.*	*Rs.*
Burma	Plough cattle	74,977	2,083	—	18	600	401	12
Coorg	Plough cattle	6,212	2,479	468	29	—	280	—
Total . . .	—	81,189	4,562	468	47	600	681	12

In Burma it is proposed to form a central reinsurance society, and in the year under review application was made to Government for an interest-

free loan upon which the central society might draw to meet unexpectedly heavy demands upon it during the first few years of its existence. The Government reply had not been received when the annual report was prepared, and pending a decision the formation of new societies was checked during the year. In fact, between June 30th, 1913, and June 30th, 1914, only two new insurance societies were registered. In the previous twelve months the number of new societies registered was thirty-four.

The Registrar in Coorg reports that the year under review was very unfavourable for cattle as the mortality was exceptionally high owing to the long drought, so that it was considered advisable to suspend all operations from April to September, 1914. He is of opinion that it is far too early yet to form any conclusions as to the working of co-operative cattle insurance, but is inclined to think that the societies will prove a success.

(*b*) *Other Forms of Co-operation.*

Other forms of co-operation are represented in India but, speaking generally, the success of societies for purchase and sale, production, etc. is as yet problematical.

In Bombay, for instance, there are seven societies formed to supply their members with pure seed either by selecting it from the local crops and storing it or by purchasing it from outside, but "none of these" —according to the Registrar — "has yet proved conspicuously successful." There are several co-operative manure stores in the same province and two co-operative dairies have been formed to supply the Bombay market, though only one of the latter had begun working in 1914. This dairy began with a share capital of Rs. 1,450 and purchased twelve buffaloes and a stock of dairy utensils. It employs an experienced manager and three assistants. At the end of the year under review, the society was about to raise another Rs. 3,000 of capital, and it is proposed to open a retail shop in Bombay as soon as the operations of the society have extended sufficiently to justify such a step.

Two societies for the co-operative purchase of the usual agricultural supplies are also working in Bombay and these, with the manure stores just referred to, seem to be fairly successful.

In the United Provinces, in addition to the cattle insurance society already mentioned, there are ten societies for production and sale, all engaged in the sale of milk, *ghi* (clarified butter) and other dairy products. Co-operative dairies are supplying their products to Benares, Allahabad, Lucknow and other towns, and though their expenses so far have been relatively heavy, they give promise of becoming very successful. Their chief recommendation is that they work in thoroughly sanitary buildings, take every possible precaution in handling the milk, and are able to guarantee that the products they sell are unadulterated.

In Burma, the 63 production and sale societies which were working in 1914 dealt with paddy (rice in the husk), groundnuts, and other products.

They seem to be fairly successful. The Supply and Transport Department purchased five hundred tons of paddy from seven societies and one firm purchased 1,426,060 lbs. of groundnuts from a single large society of 727 members in the Pakôkku District — the society having been formed for the purpose among the members of credit societies. The Registrar notes that this transaction was well managed by the society and proved satisfactory to both sides.

§ 4. Central societies.

We have more than once had occasion to note, in previous articles in this *Bulletin* how co-operative credit in India has developed upon somewhat different lines in the different provinces. The essentials for success in co-operation, which resolve themselves upon analysis into the possession of certain moral qualities and the practice of some of the elementary rules of business, are of course the same in India as in any other country and the same in one province of India as in any other province. But local conditions, and undoubtedly to some extent the predilections, and prejudices of individual Registrars, have determined very largely the structure of the co-operative credit system in each province. This is most clearly evident with regard to the way in which local societies are grouped in unions, and with regard to the type of central bank and the number of such banks established in the different provinces.

Burma, for example, has 1,214 Agricultural Societies, and 96 societies classed as Central — 90 Unions and 6 Central Banks; the Punjab with 3,261 Agricultural Societies has but 38 societies classed as Central — 18 Central Banks and 20 Central Banking Unions; Madras with 1,265 Agricultural Societies has only 8 Central Banks and 8 Unions.

The three types of Central Society distinguished in the Registrars' reports are Central Banks, Central Banking Unions, and Unions. The first two are central credit institutes, while the "Unions" are designed for supervision and control, and their connection with the financing of local societies is limited as a rule to acting in an advisory capacity to Central Banks as credit Committees passing upon applications from their affiliated societies. In a Central Banking Union the idea of supervision and control of local societies is prominent, — more prominent than is the case, as a rule, in a Central Bank. Banking Unions are usually composed principally of member-societies with a small number only of individuals, while, ordinarily, in a Central Bank, the members are individuals.

The number and constitution of Central Societies by provinces is shown in the following table.

TABLE VII. — *Central Societies: (by Provinces).*

Province	Class of Societies			Type of Societies			No. of Societies	No. of Members	
	I. — Credit	III. — Production	VI. — Other forms of co-operation	Central Banks	Central Banking Unions	Unions		Individuals	Societies
Madras	16	—	—	8	—	8	16	941	232
Bombay	6	—	—	1	3	2	6	1,611	71
Bengal	40	—	—	3	30	7	40	3,450	1,279
Bihar and Orissa	12	—	—	—	12	—	12	564	578
United Provinces	55	—	—	41	14	—	55	10,423	2,536
Punjab	38	—	—	18	20	—	38	1,492	887
Burma	96	—	—	6	—	90	96	799	1,949
Central Provinces	29	8	1	29	—	9	38	4,324	1,807
Assam	9	—	—	2	4	3	9	328	93
Coorg	—	—	—	—	—	—	—	—	—
Ajmer	5	—	—	—	5	—	5	495	280
Mysore	11	—	—	2	—	9	11	284	111
Baroda	3	—	—	1	1	1	3	75	101
Total . . .	320	8	1	111	89	129	329	24,786	9,924

Out of 329 Central Societies only 9 (and these all in one province) are other than credit societies. These societies are described as "Agricultural Unions" and are all in the Central Provinces. They are occupied for the most part with the production of pure cotton seed or with the co-operative ginning of the cotton grown by their members.

The Unions of credit societies are associations formed for the mutual supervision and control of local societies and for mutual guarantee. In Burma, every agricultural credit society is required to join a Union as soon five or more societies have been formed conveniently near to one another, with the result that there are 90 Unions in the province out of a total of 129 in the whole of British India. The General Meeting of a Burma Union, at which at least two-thirds of the constituent societies must be represented, fixes the limit of the borrowing powers of each society. The Unions collect a small rate of from 3 *annas* to 12 *annas* per cent from each society, and this is their sole source of funds. Some of the Unions combine to employ paid inspectors, the number of such inspectors in Burma being nine.

Supervising and controlling Unions seem to be a somewhat unstable type of organisation. In some cases, where the delegates of the societies

are capable and energetic, the Union tends to become a Central Banking Union, financing local societies directly. Where the representatives of the societies are neither capable nor energetic the Union soon becomes a danger rather than a safeguard, and its most probable fate is compulsory dissolution at the instance of the Registrar. As a Union has only a very small income available it is not in a position to employ inspectors of a high order of ability, so that where there is a strong Central Bank there is a tendency to ignore the inspections carried out by the Union and to proceed to independent examinations of the affairs of local societies. It cannot yet be said that the precise form or the precise functions of these so-called supervising Unions have been determined. Experiments are still being made in most of the provinces, and it may be anticipated that for some time to come the supervising Union will be the variable factor in the Indian co-operative system.

In Table VIII below we give the leading figures relating to the transactions of Central Societies during the year under review, and to their financial situation on June 30th, 1914. The figures are taken from "Statement IV" of the official returns, a statement which is prepared each year for the information of the International Institute of Agriculture. We give at the same time the corresponding figures for the previous financial year, ending June 30th, 1913.

TABLE VIII. — *Financial Situation of Central Societies.*

	1912-13	1913-14
	Rupees	*Rupees*
Loans made to:		
Individuals — on personal security	6,65,542	7,16,345
Individuals — on mortgage security	1,02,893	1,20,653
Societies — local	1,27,32,161	1,53,13,834
Societies — central	17,63,273	24,89,468
Sale of goods to members	843	16,902
Purchase of members' products	424	8,010
Cost of management	1,62,743	2,81,033
Most usual dividend paid on shares	6 to 9 per cent	6 to 9 per cent
Most usual rate of interest — on deposits	6 per cent	6 per cent
Most usual rate of interest — on loans	9 per cent	7 to 9 per cent
Loans due by individuals	8,72,547	16,62,869
Loans due by societies	1,73,47,840	2,52,21,339
Share capital	28,02,996	38,50,248
Members' deposits	48,29,182	60,77,386
Loans from Government	57,865	1,02,376
Reserve fund	3,14,688	5,60,790

The total working capital of the Central Societies was Rs. 2,90,37,180 which gives an average per society of Rs. 88,258 as against Rs. 77,750 in the previous year. The total amount of the loans granted during the year (see Table VIII) was Rs. 1,52,63,869, an average of Rs. 46,394 per society, which is appreciably lower than the previous year's average of Rs. 60,812. Lastly, the total loans outstanding on June 30th, 1914, amounted to Rs. 1,82,20,387, an average per society of Rs. 55,381 as against Rs. 72,631 on June 30th, 1913.

* * *

In this article we have not dealt with the Non-Agricultural Societies — those classed under the earlier Act as "Urban" Societies — except in so far as the figures relating to these societies are included in the tables in § 1.

The work of the Non-Agricultural Societies will be made the subject of a short article in an early number of the *Bulletin*.

ITALY.

1. THE ROMAN "AGRICULTURAL WEEK".

SOURCES:

SOCIETÀ DEGLI AGRICOLTORI ITALIANI: RELAZIONE DEL PRESIDENTE PER L'ANNO 1914, letta dal vice-presidente on. sen. G. Frascara all'Assenblea dei soci il 24 marzo 1915. (*Italian Farmers' Society: President's Report for 1914, read by the Vice President, Hon. Senator G. Frascara at the Members' General Meeting of March 24th., 1915*). *Bollettino della Società degli Agricoltori Italiani*, Rome, no. 6, March 31st., 1915.

BOLLETTINO DELLA SOCIETÀ DEGLI AGRICOLTORI ITALIANI (*Bulletin of the Italian Farmers' Society*), Rome, nos. 7-9. April 15th.–May 15th., 1915.

The *Società degli Agricoltori Italiani* is in the habit of holding every year at Rome a series of meetings of farmers for the purpose of considering the most urgent problems of agricultural technique and economics and passing resolutions and issuing recommendations. This year, the meetings were held from the 24th. to the 30th. of March and, as usual, began with the general meeting of members of the society, at which the vice president, Senator Frascara, read a report on the work done in 1914. As we desire to inform our readers in regard to the most important subjects dealt with, we think it advisable first to give a glance at the work of the association in the year.

§ 1. WORK OF THE ITALIAN FARMERS' SOCIETY IN 1914.

The report of the Society for the year 1914 shows first the really encouraging increase in the number of members, 1,492 at the end of 1911, 2,100 in 1913, 3,300 in 1913 and 3,610 at the end of 1914.

It then states that it is the intention of the society to revive those *regional agricultural shows*, that proved so efficacious for the progress of Italian agriculture and have now for some time been discontinued, the Government itself abandoning the system. These important exhibitions of national agricultural work, region by region, adds the report, must be re-

commenced, so as to revive the competitions that left in the provinces concerned the deep impress of most valuable lessons.

In 1914, the society organised numerous agricultural congresses and meetings, especially the congresses of Rome and Florence last April. At the former, the following were among the subjects dealt with: the Action of the Society in relation to the Renewal of Treaties of Commerce; Excessive Employment of Women and Children in Agriculture; Co-operation and Agricultural Credit in South Italy and Sardinia; Agricultural Arbitration Boards; Insurance against Accidents in Agricultural Work etc.

And the Florence Congress, held under the auspices of the local Agricultural Comizio, examined the questions of Insurance against Accidents in Agricultural Work, Adulteration of Wine and the Results obtained from the American Vines in Italy.

Many of these discussions led to the necessity of approaching the Government or other organisations to induce them to consider the desires expressed at the meetings.

Other smaller meetings were also held in different parts of Italy according to the circumstances and requirements of the moment.

The society further organised interesting lectures and agricultural excursions, and prize competitions, awarding medals, and strove in this way to stimulate local enterprise. For this latter purpose, the institution of *Consuls* was found specially helpful. These consuls are local representatives of the Society, who co-operate in the various provinces to promote the aims of the society, assisting it in all its enterprises and researches. There were 649 consuls and 54 chief consuls at the end of 1914.

To carry out its complex work, the society has formed itself into thirteen sections: Section I. Agricultural Instruction and Sciences applied to Agriculture; Section II. Cultivation of Grain, Cultivation of other Herbaceous Plants, Cultivation of Meadows, Manures and Seeds; Section III. General Livestock Improvement; Section III bis. Horse Improvement; Section IV. Sylviculture and Forest Industries; Section V. Viticulture and Winemaking, Alcohol; Section VI. Cultivation of Olives and Oil Mills; Section VII. Cultivation of Silkworms and Mulberry Trees; Beekeeping, Pisciculture, Poultry Improvement; Section VIII. Cultivation of Fruit, Horticulture and Gardening; Section IX. Agricultural Machinery, Buildings, Farm Improvements and Irrigation; Section X. Plant Diseases; Section XI. Conditions of Agriculture and the Agricultural Classes, at Home and Abroad, Agricultural Contracts, Agricultural Legislation, Agricultural Credit and Co-operation; Section XII. Trade in Agricultural Produce and the Produce of Livestock Improvement, Transport and Customs Tariffs; Section XIII. Women's Work.

The work done by some of these sections in 1914 was very remarkable. Section II concerned itself specially with the sugar crisis; Section V studied the problem of the crisis in wine making; Section XI occupied itself with civic uses, and section XII with the commercial treaties.

The work of the Horse Improvement and Women's Work sections was of special importance. The first of these attended to the compilation of

studbooks, the second to farmwomen's education, schools of domestic economy, colleges for women, and farmwomen's clubs and also promoted a course of lectures. Some members presented useful communications at congresses on the excessive employment of women and children in agriculture, small rural industries and the organisation of domestic industries in small agricultural centres.

Among the studies of economic problems that absorbed a great deal of the attention of the Association last year, we must mention those on the sugar crisis, the winemaking crisis, the fall in price of livestock, the renewal of the treaties of commerce, the citrus fruits and grain questions etc.

Among the many undertakings of the Society, we must mention the *Mostra delle Novità Agrarie*, (Exhibition of Novelties in Agriculture), inaugurated in Rome last April. The object of this Exhibition was to show the latest improvements in the direction of agricultural machinery and technique and to spread the knowledge of them among the farmers.

The technical, commercial and legal advisory office worked actively during the year. Nor was the work of the laboratory for chemical analysis, connected with the society, less important. There were made in it quite 796 analyses of water, manure, agricultural produce etc.

Numerous and valuable publications, published by the Society, were also distributed in large numbers among the members.

§ 2. Subjects discussed at the forty fifth congress of the italian farmers' society.

At the important congress some of the chief problems of agricultural economics were discussed and interesting lectures were delivered and communications in regard to the most various matters made : we shall give a short account of these various departments of the work of the congress.

The first matter dealt with was the *Crisis in Winemaking*. Prof. E. Voglino read a report on the matter, first of all observing that the principal cause of the periodical crises in this industry must be sought in the great variations in the production of vines.

Now, to reduce the evil consequences of this irregular production, he advises, that the system of cultivating vines alone be abandoned, and fruit and olive trees etc. be planted in the vineyards and, wherever possible, herbaceous plants between the rows of vines, at suitable distances.

The presenter of the report held that the difficulties of the viticulturists were intensified by the impediments to consumption especially in large cities where the excessive duty on wine raises the price and limits the consumption, and also by adulteration, on account of which he urged the institution of a service for preventing fraud, provided with adequate means, in connection with the *wine making associations*.

He then expressed the desire that the exportation of grapes and wine might be facilitated and urged the society to persevere in its efforts to encourage the consumption of fresh grapes and raisins. He considered that industries for the utilisation of grape products for the preparation of food should be encouraged and after mentioning the prejudices and bad systems of making and keeping wine still largely prevalent in country districts, he expressed the hope that the itinerant agricultural lectureships of the viticultural regions may obtain the funds necessary for engaging a wine expert, whose duties would correspond with those of the "inspectors of cellars", employed in many European states.

He closed his report with the suggestion that the Government should give every facilitation to works of irrigation in the plateaux planted with vines.

Another urgent matter dealt with by the Congress, of capital importance, however, for the national economy, was that of the *Crisis in the Silk Industry in its relation to Agriculture.* Everybody knows what the present conditions of this industry are in Italy. We shall therefore only mention that the Italian Farmers' Society, being greatly alarmed at the crisis, and keenly desirous to contribute to reduce its effects, decided to carry on, among its own members and the agricultural organisations of all the regions in which silk is produced, active propaganda in favour of such an organisation as would allow the silkgrowers to adopt, as widely as possible, the practice of desiccating and preserving the cocoons, in the meantime instructing the Presidential Bureau to study all the measures that might facilitate the adoption of this practice by the producers (1).

After this subject was exhausted, the Congress passed on to a third of no less importance than the foregoing: *Aspects and Data of the Italian Forestry Problem.* Prof. A. Serpieri, Manager of the Superior Royal Forestry Institute of Florence, was charged to deal with the matter; he showed the great difficulties by which the direct action of the State is hampered, in respect to the regulation of mountain basins and the extension of the State Forest Domains. He expressed his hope that the long expected

(1) In this field much might be obtained by means of co-operation among the silkgrowers. In Italy there are a certain number of *co-operative cocoon desiccating societies*. A typical example is afforded by the *Silkgrowers' Society of the Province of Cremona*, splendidly supplied with ovens and very large warehouses of modern type for the preservation of the produce. This Society has also made provision, by agreement with the Cremona Co-operative People's Bank, for the supply of advances to silkgrowers on deposit of cocoons.

Another example of collective cocoon desiccation is afforded by the silkgrowers of Sarno (Salerno), who have recently formed a co-operative society for the purpose. They intend to cultivate about 500 ounces of grain, which will give 35,000 kg. of cocoons. The Society proposes erecting ovens in the most suitable centres, instituting collective warehouses, lending on deposit, as well as purchasing collectively the grain and the necessary requisites for sericulture and selling the members' produce either collectively or for the private account of each. Antonio Sansone has supplied a valuable guide for the organisation of such co-operative societies in his book: *Gli essiccatoi cooperativi da bozzoli*: Casale Monferrato, Cassone, 1905.

completion of the new Italian forestry legislation will allow of an extensive co-operation between the local organisations and private persons, as well in the reafforestation of bare slopes, as in the improvement of pasture lands, and the good arrangement of the water supply for the land to be sown. The learned lecturer was energetically applauded.

Then came Signorina Helga Ohlsen's interesting communication on *Small Industries in the Italian Rural Districts*. From a careful examination of the replies obtained to a schedule of questions sent out by the society in regard to the systematic organisation of domestic industry in the small rural centres, she draw the following conclusions :

(1) That the districts where it is most necessary to found, revive or organise small rural industries are those of South Italy and Latium, because they are most deficient in capital and energy, and to a large extent labour under systems of agriculture that give the workmen least profit ;

(2) that, however, the other parts of the Peninsula, north of Latium, must not on these grounds be neglected, since the special conditions of some localities, in spite of the general high level of agriculture and of manufacture on a large scale, seem to indicate the desirability of an increased or a better organisation of industrial labour and wages.

(3) that on the system of distribution of the farms and dwellings will depend the application of one or other of the two principal classes into which small rural industry is divided, that strictly *agricultural* being applicable where the peasants live in houses scattered over the country, and that we shall more particulary call *domestic* being so where the rural population is crowded together in small centres.

(4) that the indications of industrial industries properly so called are everywhere very rare, and that consequently there is more need of creating than of reviving them, especially as it does not always appear advisable to revive a dying industry.

The meeting therefore proposed the appointment of a commission to study the means to arrive at the desired organization of small industries in the Italian country districts.

Another matter that aroused great interest was that of *Poultry Improvement in Italy*, reported on by Signor C. Trossi.

After enumerating the various operations of scientific poultry improvement, he briefly described the conditions favourable for practical industrial equipment. He lamented the want of poultry improvement schools in Italy ; the ignorance prevailing in regard to the subject in the country and the material impossibility, from a commercial point of view, for the sale of the produce to be made at the most suitable moment.

After a detailed examination of the statistics of production and exportation, Signor Trossi compared poultry improvement in Italy and in the United States, where it has been possible to obtain 288 eggs per hen of the white Italian breed. In Italy, the average yield is not 90 eggs and in the most advanced European countries it is 160. Now, even if this latter average cannot be exceeded, it is calculated that the value of the Italian yield in fowls and eggs could be 500,000,000 frs. a year.

He then considered what had been done in Denmark for this industry, where, while 30 years ago eggs were imported to the amount of 30,000,000 frs., in 1910 they were exported to the amount of 44,000,000 frs. Italy, however, with a population sixteen times as large, only exported in the same year to the amount of 54,000,000 frs.

He then concluded by showing that it was the absolute duty of the authorities to make provision for this industry so important at once from the point of view of economics and of the food supply. And he proposed the foundation of an *Italian Poultry Improvers' Society*, to provide what was wanting. (1)

The discussion was closed with a resolution expressing the hope that the Government, in accordance with assurances given and the draft bill already studied, may start an experimental poultry improvement farm. On the proposal of Signori Ranieri Pini a vote was passed that private individuals should be urged to promote poultry improvement by the foundation of associations for the purpose.

Count M. di Frassineto dealt with the *Present State of Cultivation by means of Machine Motors*. He first of all indicated the causes that induced the British manufacturers to study the means for such cultivation, and mentioned that the first experiments of the kind were made in England in 1835.

Then dealing with the application of machine ploughs, he carefully analysed the causes of agricultural, mechanic and economic character that have a considerable influence on cultivation by means of machine motors, stating that this system of cultivation, where possible, will be of great advantage to agriculture, opening new fields for it. Without delaying over any special case, he illustrated his subject by a very interesting series of limelight views, passing in review all the machines now existing, from the heavy Fowler to the light driving plough, giving a precise idea of each. He terminated with statistics showing the economic gain to be derived from the use of machine motors in agriculture and hoping that it may soon be extended to the whole of Italy. The Hon. Signor Zaccagnino proposed the

(1) Such a Society was indeed founded in Rome last May under the title of *Società Avicola Nazionale*. According to its Rules, its object is the encouragement of the production of farmyard produce and trade in poultry, eggs and generally in the above mentioned produce. The Rules also enumerate the means by which the Society proposes to attain its object. In this connection, we must mention that it intends to promote the foundation of societies for the proper improvement and selection of poultry, whether with a view to the production of eggs or poultry for food or with a view to breeding, and the supply of food for poultry and suitable plant for poultry improvement and the collective sale in Italy and abroad of poultry and the various produce of poultry improvement. Finally, the new organization aims at uniting in a *Federazione avicola nazionale*, with headquarters also at Rome, the various Poultry Improvers', Rabbit Breeders' and Pigeon Fanciers' Societies etc. now existing or to be founded in Italy.

foundation for the purpose of many *co-operative societies* for purchase of agricultural machinery (1)

As in previous years, the Congress closed with an excursion in the Agro Romano, visiting the farm Torre del Padiglione (3,384 ha.), with the laudable object of enforcing the theoretical conclusions of the Corgress by means of practical demonstrations.

2. MISCELLANEOUS INFORMATION.

1. Rural banks and agricultural co-operative societies of collective title existing in Italy at the end of 1914. — The *Federazione Nazionale delle Casse Rurali*, with headquarters at Rome, has recently published a list (2) of the rural banks in the Kingdom on December 31st., 1914. Their total number at that date was 2,279 distributed as follows :

(1) A typical example of co-operative societies for the collective use of agricultural machinery in Italy is afforded by the *Consorzio macchine agrarie di Ravenna*. It has been working, for four years, ploughing,threshing and ensiling. It has performed the following maximum of work : threshing, 75,000 quintals, ensiling of hay and straw, 183,000 qls., ploughing 1,050 ha. The gross receipts from all its work increased as follows : 1911, frs. 24,986 ; 1912, frs. 78,314 : 1913, frs. 97,262 ; 1914, frs. 105,716. The good results of these years, together with a share capital raised in 1913 to frs. 196,000 and temporary engagements under the form of discounting of bills of exchange, made the following investments possible ; purchase of machines (about 70) 385,000 frs.; premises, 70,000 frs. ; equipment of workshop and storehouse 37,500 frs., without reducing the necessary working capital. With regard to the importance of such co-operative societies, see the recent publication of the *Federazione Italiana dei Consorzi Agrari : I consorzi per l'uso in comune delle macchine agricole*. Piacenza, Chiolini, 1915.

(2) See *Co-operazione Rurale*, organ of the National Federation of Italian Rural Banks, Rome, no. 3. March 31st., 1915.

North Italy:		*Central Italy:*	
Venetia	461	Latium	108
Emilia	306	Tuscany	79
Lombardy	253	Marche	72
Piedmont	179	Umbria	20
Liguria	18		
Total	1,217	Total	279

South Italy:		*Insular Italy:*	
Abruzzi and Molise	95	Sicily	360
Campania (1)	76	Sardinia	169
Calabria	46		
Apulia	27	Total	529
Basilicata	10		
Total	254		

Among the provinces with the largest number of banks are Cagliari (128) (2), Rome (108), Verona (107), Bologna (88), Palermo (88), Girgenti (79), Padua (74), Bergamo (73), Cuneo (72), Treviso (71).

The number of the rural banks in Italy, as shown by the statistics of the National Federation, has increased from year to year; there were, in fact, 1,763 in 1910, 1,855 in 1911, 2,033 in 1912, 2,122 in 1913 and 2,279 in 1914.

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2. CO-OPERATIVE SOCIETIES LEGALLY RECOGNISED ON JUNE 30TH., 1914. — The *Annuario Statistico Italiano* (Italian Statistical Yearbook) (3), published by the Department of Agriculture, Industry and Commerce,

(1) There has recently been founded a Federation of the Agricultural Banks of the Province of Salerno, with the principal object of promoting collective purchase and sale among these agricultural banks and facilitating the keeping of their books for them, by giving them the assistance of a special office.

(2) In Sardinia and more especially in the province of Cagliari, the number of rural banks has rapidly increased, especially owing to the efficacious propaganda started by the Oristano Itinerant Lectureship of Agriculture and continued with the assistance of the *Federazione delle cooperative e mutue agrarie sarde* and with the support of the Cagliari Ademprivile Bank, as branches of which the rural banks work. In 1914 in this province 32 new banks were founded, and there are now altogether 130 there. Recently in connection with the above mentioned Federation an Itinerant Lectureship of Co-operation and Agricultural Mutuality for Sardinia was instituted for the special purpose of giving unity of direction to the co-operative movement of the region.

(3) *Annuario Statistico Italiano*, second series. Vol. III. Year 1913.

advises us that the legally constituted co-operative societies, exclusive of those the principal object of which is credit business, in Italy, on June 30th., 1914 were 7,429, as follows :

Co-operative Distributive Societies.	2,255
,, Labour ,, ...	1,758
,, Agricultural and Wine making Societies	1,242
,, Industrial Production Societies . . .	831
,, House Building ,, . . .	677
,, Insurance ,, . . .	151
,, Food Industry ,, . . .	125
,, Fishermen's ,, . . .	94
Miscellaneous Co-operative Societies.	296
Total	7,429

These 7,429 societies are divided in the Yearbook, as follows, according to Regions :

Emilia	1,667	Campania	259
Lombardy. . . .	1,334	Marche	238
Tuscany	773	Umbria	115
Venetia	633	Calabria	102
Piedmont	586	Abruzzi and Molise	80
Latium	468	Sardinia	44
Sicily	385	Basilicata	27
Liguria	368	Colony of Eritrea. .	1
Apulia	289		

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3. THE " FEDERAZIONE SICILIANA DELLE CO-OPERATIVE " OF GIRGENTI, IN 1914. — As appears from the report of its general secretary (1), this Regional Federation made considerable progress also in 1914. The federated bodies, mostly agricultural banks, increased, indeed, in the year from 52 to 56 ; the total number of members increased from 10,653 to 11,257. The deposits in these institutes amounted on December 31st., 1914 to 763,730 frs. and their assets to 2,849,179 frs. The following data relating to some of the affiliated societies will also be found to have their interest :

(1) See : *Co-operazione Agricola in Sicilia nel* 1914 *Federazione Siciliana delle Cooperative.* Girgenti, 1915.

The *Cassa agraria popolare di Ravanusa* discounted agricultural bills for its members in the course of the year to the total amount of 256,795 frs. and rediscounted bills with the Bank of Sicily for 213,345 frs.; further, it discounted ordinary bills for 50,346 frs.; increased its sales of superphosphates from 2,584 quintals to 4,630 quintals (1); its assets from 156,503 frs. to 268,405 frs.; its share capital from 9,010 frs. to 13,585 frs.; and its reserve fund from 3,127 frs. to 4,908 frs. At the same time the members increased from 443 to 521.

The number of members of the *Cassa agraria sociale di Aragona*, which, on December 31st., 1913 was 372, with total private assets of 1,768,855 frs., on December 31st., 1914 was 420, with assets of 2,024, 355 frs. The sales of superphosphates made by it had increased in the same period from 1,480 to 2,630 quintals.

The members of the *Società anonima cooperativa agricola di Noto* increased from 279 to 304, its share capital from 29,862 frs. to 33,428 frs. and the sales of manure and seeds in 1914 amounted to 18,654 frs.

The number of members of the *Cassa agraria sociale di Canicattì* increased from 216 to 315 and the general business done from 17,088 frs. to 52,203 frs.

The *Cassa agraria sociale di Camastra* in 1914 leased about 150 ha., and increased its total business from 32,488 frs. to 40,998 frs.

The share capital of the *Cassa agraria comunale di Grotte* increased from 6,768 frs. to 7,344 frs. and the reserve fund from 1,677 frs. to 2,365 frs., its *Bottega sociale di generi di consumo* (Collective Warehouses of Articles for Consumption) increased the assets of the Bank on December 31st., 1914 by 6,853 fr.

Finally, the assets of the *Cassa agraria sociale di Licata* increased from 3,841 frs. to 12,233 frs.; its members from 140 to 179, and its total business from 5,070 frs. to 17,917 frs.

The above Federation, while dedicating itself especially to agricultural co-operation has not failed to give its attention also to other forms of co-operative organisation. Thus, in the field of Co-operative Labour, it has started the co-operative society, "L'Avvenire del Lavoro" (*Future of Labour*), with head quarters at Girgenti, which, founded in 1913, established its position firmly last year, competed in the first competitions for contracts and was assigned contracts for works for a total amount of 17,500 frs.

In the field of co-operative distribution, in addition to the communal agricultural bank of Grotte with its *Bottega Sociale* alluded to above, the

(1) As observed in the above report, the collective purchase of manure and farm requisites is not only a benefit for the individual members of the affiliated co-operative societies through the fair price and the certainty of the good quality of the articles, but also constitutes a saving, and provides them substantially with the only means of any importance they have for paying their working expenses. On the other hand, those societies that restrict themselves to agricultural credit business, do not always make enough profit out of it to pay their working expenses and many of their balance sheets are closed with a loss, only due to the excess of the expenditure over the revenue.

Federation has amongst its affiliated societies, the co-operative society, "La Beneficenza" of Campobello di Licata, reconstituted in 1913, which showed on its balance sheet on December 31st., 1914: credits, subventions and goods, 3,602 frs.; assets, 5,233 frs.; share capital 1,793 frs., profit, 250 frs. Other federated societies occupy themselves with the sale of articles of food to their members and farmers generally. Thus the co-operative agricultural consortium of Aidone, began this work in 1910 and its collective warehouse does an annual business of about 20,000 frs.

Noteworthy also was the work done by the *Azienda-Concimi* (Manure Business) in connection with the Federation, as it sold goods and agricultural machinery for a total sum of 246,199 frs.

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4. First results of the agricultural credit bank in Tuscany. — In October, 1913, a large group of Tuscan farmers, convinced "that the special economic function of agricultural credit, its natural incompatibility with every kind of banking speculation and the forms and guarantees required by it, demands the constitution of an Institute to make the business its speciality", founded an agricultural bank at Florence under the form of a limited liability co-operative society for the following purposes:

(*a*) to make advances to members to enable them to provide their farms with live and dead stock;

(*b*) to purchase agricultural machinery, implements, seed, manure, anticryptogamic material and whatever else may be needed for agricultural purposes;

(*c*) to grant credits on crops and on the produce of farms, stored in the farmers' own cellars and storehouses.

(*d*) to discount bills passed to members on account of or in full payment of the produce of their farms.

In respect to the first working year of the Bank we are now in a position to communicate the following particulars (1):

Founded, first of all, on October 10th., 1913, with 32 members, 60 shares and 6,000 frs. capital, it had on December 31st., 1914, 290 members, a capital of 54,100 frs. and a reserve fund of 1,460 frs., formed by means of entrance fees.

The subscribers of the capital, in accordance with the constitution of the Bank, belong almost all to the agricultural class, and are proprietors of large, average sized and small farms, tenants and labourers; there are also amongst them agricultural associations, consorzi and comizi and some important banking institutions, such as the Monte dei Paschi di Siena etc.;

(1) See the report of the Board of Management in "Agricoltura Toscana", Florence, no. 7. April 15th., 1915.

The Bank began business in February, 1914, with two departments, for deposits and loans on bills, for short terms.

The amount of the deposits is rather small (16,131 frs. on December 31st., 1914), but yet it is satisfactory in consideration of the institute being only just founded. On the other hand, the loans represent a considerable sum. There were, indeed, presented to the Bank for discount, bills for an amount of 227,264.85 frs, and bills for 199,354.85 were accepted and the others for 27,910 refused acceptance.

The bills accepted were presented by large landowners to the amount of 26,367 frs.; by owners of small and medium sized farms to that of 142,737.25 frs.; by tenant farmers and metayers to that of 8,650 frs.; by rural agents to that of 9,135 frs.; by agricultural associations to that of 9,075 frs.; and by rural tradesmen and industrials to that of 3,390.60 frs.

As regards their object, the credits granted may be classified as follows: discount of bills of members passed for credits for agricultural purposes, 54,962.85 frs.; loans for purchase of livestock, 71,917 frs.; for purchase of manure, 34,500 frs.; loans for purchase of sulphur and sulphate of copper, 14,900 frs.; loans for agricultural implements, 10,500 frs.; for building farm houses, 3,500 frs.; loans to agricultural associations, 9,075 frs.

The applications varied from a minimum of 150 frs. to a maximum of 15,000 frs.; but the average amount granted was about 2,000 frs. The rate of interest was fixed at 6 %. The profits amounted to 2,865 frs.

These first results, therefore, augur very well for the future of the Bank.

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5. IMPORTANT AMENDMENT OF THE RULES OF THE ITALIAN FEDERATION OF AGRICULTURAL CONSORZI AND ITS WORK IN 1914. — The rules of the Italian Federation of Agricultural Consorzi, the most important co-operative organization in Italy were amended in two special meetings at Piacenza, on February 15th. and October 18th., 1914 (1), for the advantage of the federated associations and the national agriculture. We reproduce in full article 3 of the Rules (2), defining the object and the new duties of the Federation. It runs as follows:

"The object of the Italian Federation of Agricultural Consortium is to assure the greatest development for agriculture in Italy and its colonies and the greatest possible increase of prosperity for the agricultural classes. To attain this end, it proposes principally:

(1) to promote the formation of new agricultural consorzi, to contribute to the extension of the work of those already existing and give

(1) See *Italia Rurale*, organ of the Italian Federation of Agricultural Consorzi, Piacenza no. 520, March 16th., 1914 and no. 524, December 28th., 1914.

(2) See Statuto della Federazione Italiana dei Consorzi agrari, Società anonima cooperativa a capitale illimitato con sede in Piacenza. Piacenza. Tip. E. Chiolini, 1915.

those consorzi or other institutes working as such unity of action and of aim;

(2) to produce, purchase and sell for account of and in the interest of members, goods, produce, implements, machinery, live and dead stock and all farm requisites and sell to non-members, but only in the cases expressly authorized by the Board of Management;

(3) to lend or lease machinery and implements;

(4) to obtain the information and the means to enable the agricultural classes to profit by the best markets and obtain specially favourable tariffs for them;

(5) to favour the equipment of experimental farms in the interest of agriculture;

(6) to act as simple intermediary between members and third parties, when necessary standing security or giving credit to members for the purchase of their farm requisites or the sale of their produce.

When the Board of Management considers it advisable, the Federation may also constitute associations together with the federated societies, which shall elect representatives."

The new rules further lay it down that the Federation may become a member of national and foreign societies of kindred aim, especially societies for production and trade in farm requisites, manure, machinery, implements etc.

The work of the Federation in 1914 (1) may be summarised as follows: goods sold 13,106,724 frs.: machinery 2,590,545 frs. altogether 15,697,269 frs. The assets on December 31st., 1914, amounted to 274,355 frs.

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6. RESULTS OF A NATIONAL PRIZE COMPETITION AMONG CO-OPERATIVE FISHERMEN'S SOCIETIES. — In 1912 the Minister of Agriculture, Industry and Commerce opened an important prize competition for the co-operative fishing societies and similar associations, of which we now know the results (2). These co-operative societies are regulated in Italy by law no.378 of July 11th., 1904, which aims at uniting the sea fishermen in five large syndicates to represent collectively the co-operative societies and associations in the several regions. There are already in Italy some fishermen's syndicates, the work of which is greatly beneficial to the class, namely, the Adriatic Syndicate, the Sicilian Syndicate, the Liguro-Sardinian (3)

(1) See in this connection *Italia Rurale*, Organ of the Federation, Piacenza, No. 527. March 18th., 1915.

(2) See the Report of the Committee of Judges for this Competition in the *Bollettino del Ministero di Agricoltura, Industria e Commercio*. Series A. March 13th., 1915. On June 30th. 1914, there were 94 co-operative fishing societies legally constituted in Italy.

(3) In October, 1914 the *Federazione Nazionale dei Sindacati Peschereccì* (National Federation of Fishermen's Syndicates) was formed for the national representation of sea fishing societies, organized under a co-operative form, with the intention of dealing collectively with matters of general interest for the syndicates and the several sea fishing societies represented in them.

Syndicate etc. Their object is to work wisely and effectually for the organisation and improvement of the fishing industry in Italy. The law, therefore, grants each syndicate for the first year a subvention that may amount to 30,000 frs. (50,000 frs. in the case of the Adriatic Syndicate), and afterwards an annual amount of 10,000 frs. These funds must serve :

(*a*) to promote and assist mutual societies for the insurance of fishermen and the instruments of their labour ;

(*b*) to organize supervision over fishing ;

(*c*) to extend the area of the fisheries, providing new and better means of transport and of preservation of the produce ;

(*d*) to facilitate fishing and the most remunerative sale of the produce of the societies and to assist them in increasing the production of the fisheries by diffusing a knowledge of the best means of catching, rearing, treating and selling fish ;

(*e*) to facilitate for the societies the purchase of the plant and implements necessary for the industry ;

(*f*) to enable the syndicates to act as representatives and intermediaries for the societies to assist them in obtaining credits on pledge from the popular credit banks and other credit institutes etc.

In virtue of the above law, various prize competitions have already been opened for the co-operative societies under consideration. The last was that of 1912, above mentioned, to which 58 societies were admitted, and 15 were awarded prizes. The prizes were divided into three classes, of 5,000 frs., 4,000 frs. and 3,000 frs.

The first class prizes were awarded to the Society of Camogli (Genova), " for the high degree of industrial development attained ", that of Molfetta, " deserving of the highest consideration on account of the perfect and harmonious blending of capital and labour, the considerable development of its co-operative action and the remarkable impulse it has given to the fishing industry, " that of Porto San Giorgio (Ascoli Piceno), as having succeeded in transforming the local fisheries into a " really great industry, taking advantage of all possible technical improvements, providing warehouses well supplied with implements and articles of food and equipping a fishing fleet of its own ", and lastly that of San Benedetto del Tronto, which, on account of the way it is organised and works, the means it has been able to provide itself with (warehouses for implements and food supplies ; fishing fleet etc.), having really advanced the fishing industry and discovered new fields of action, deserves; as the Committee of Judges decided, to be held in the highest consideration.

The second class prizes (4,000 frs.) were assigned to the Society of Istintino (Sassari), which has given a considerable impulse to co-operation and organised the collective sale of fish and lobsters, the principal produce of these fisheries, thus securing real benefits for the fishermen : that of Noli (Genoa), which, for the aims it sets before itself (the subsidising of old and incapable members, the widows and orphans of members, the promotion and subsidising of co-operative societies for production and distribution among members), which have been partly attained and the

admirable manner in which it is organised and works, is worthy of encomium and that of Spadafora San Martino (Messina), which has attained a "very important development conferring real benefits on the fishing classes of these coasts". Its work is above all apparent in the collective fishing and collective and direct sale of fish, in the management of warehouses for articles of food and other goods and in mutual assistance.

Finally, the third class prizes (3,000 frs.) were assigned to : the Society of Ischia (Naples) deserving of praise " above all for the scientific development of fishing with lights, carried on collectively, to the no small improvement of the conditions of the fishermen and contributing at the same time to the industrial development of the fisheries", that of Torre del Faro (Messina) which, " with very small means, but a wise organisation and praiseworthy persistency, has, by collective fishing, and sale of fish and the management of a warehouse for articles of food and mutual assistance, rendered real benefits to the fishermen"; that of Mazzara del Vallo (Trapani), worthy of note above all for the work it has done for the improvement of the conditions of the fishermen both economic (by means of warehouses for implements and articles of food) and moral (by means of its school for the illiterate and its library), the protection of their interests and measures of thrift for their benefit ; the co-operative society of Sciacca (Girgenti) which provides in a praiseworthy way for the improvement of the conditions of the fishermen of that coast, for mutual assistance nad the supervision of the fisheries ; the limited liability co-operative society of Ancona, the only one in Italy which uses steamboats for fishing ; the society of Chioggia (Venice), which has the sole object of promoting thrift among the fishermen registered with it, who pay a small contribution to an old age, sickness and accident fund ; and the co-operative society of Termini Imerese (Palermo), worthy of special consideration for its action in solving the problem of the sale of produce, protecting the fishermen against exorbitant speculators, as well as for having instituted a warehouse for sale and a dyeworks for dyeing nets.

Subsidies were also distributed to other societies by way of encouragement, in amounts varying from 300 frs. to 2,500 frs.

RUSSIA.

MISCELLANEOUS INFORMATION.

1. CONSIDERABLE INCREASE IN THE NUMBER OF FEDERATIONS OF CO-OPERATIVE CREDIT SOCIETIES. — In an article entitled, "Federations of Co-operative Credit Societies in Russia in 1913", which was published in the number of this "Bulletin" for November, 1914, we have already shown that one of the principal obstacles to the scientific and natural development of the Federations of Co-operative Credit Societies in Russia was to be found in the complication and the delays of the administrative procedure in relation to their legalisation. After mention of some simplifications introduced in 1911, we added that the Government, on the one hand, and the societies themselves, on the other, were both studying how to solve the problem of legalisation in a still more satisfactory manner, and stated that the day was not far off when the Russian laws in regard to the Federations of co-operative societies would be such as to permit of an increase of these Federations as remarkable as that shown in the same article as having taken place in the department of independent co-operative societies.

The continuation of the great European war has prevented the realisation of this hope. With their attention engrossed by serious questions of other character, neither the Government nor the societies have had the leisure to come to an understanding on the subject of co-operative legislation, and the new law on the subject is now as before still only a project.

This, however, does not mean that the Government has completely ceased to interest itself in the matter. Quite the contrary. More convinced than ever of the usefuluess of the Federations in view of the considerable services rendered to the country, from the earliest months of the war, by the independent co-operative credit societies and above all by their federal organisations, the Council of Ministers, in its session of March 31st. (April 13th.), approved the rules of 17 new Federations of Co-operative Credit Societies in the following provinces, towns and villages:

(1) The Federation of *Bessarabia*, the site of the headquarters of which is not yet fixed, to serve for the whole province of that name.

(2) The Federation of *Podolsk*, for the province of the same name, with headquarters at Vinnitsa.

(3) The Federation of *Ryazan*, for the province of the same name, with headquarters at Ryazan.

(4) The Federation of *Birsk*, for the district of the same name (Province of Ufa).

(5) The Federation of *Sterlitamak*, for the district of the same name (Province of Ufa).

(6) The Federation of *Ufa*, for the district and province of Ufa.

(7) The Federation of *Berezowo*, for the district of Nikolayev of the Province of Samara.

(8) The Federation of *Melekess*, for the district of Stavropol in the Province of Samara.

(9) The Federation of *Perejaslaw*, for the district of the same name in the province of Poltava.

(10) The 2nd. Federation of the *Don*, for the district of Novo Cherkask in the territory of the Don Cossacks.

(11) The Federation of *Romno*, for certain regions of the Province of Poltava.

(12) The Federation of *Nikolayew*, for part of the Province of Kherson.

(13) The Federation of *Kinel Cherkasy*, for certain regions of the Province of Samara.

(14) The Federation of *Tsaritsyn*, for part of the provinces of Saratov and Astrakhan.

(15) The Federation of the *Southern Don*, for the districts of Rostov and Taganrog in the territory of the Don Cossacks.

(16) The Federation of the *Northern Don*, for certain districts of the territory of the Don Cossacks.

(17) The Federation of the *Donetz*, for the district of the same name in the territory of the Don Cossacks.

The rules presented for approval by these 17 new Federations and actually approved by the Council of Ministers are all in conformity with the model rules of the year 1911, the advantages of which we pointed out in the above mentioned article in our Bulletin of last November, except that the Ryazan Federation asked for a modification of three of the paragraphs of the model rules. The alteration requested was considered so logical and reasonable that the Council of Ministers of its own accord has authorized its adoption by all the other Federations.

Finally, in the same session of March 31st. the Council of Ministers authorized two Federations, that of Blagodarnoje, founded in 1906, and that of Yekaterinburg, founded in 1905, to adopt the model rules of 1911. Both made application years ago for this authorisation, the importance of which we have already fully shown (article in Bulletin for November, 1914), as it enables them at last to borrow, accept deposits and lend to the societies belonging to the Federation.

To understand the full importance of the decision of the Council of Ministers, it will be enough for us to remember that while there were 14,000

independent co-operative credit societies in Russia in November last year there were only 14 Federations of such societies. Therefore, the decree of 31st. March last, has authorized an increase of these associations to *more than twice their number*, as well as the suppression of the last vestige of the antiquated rules, the restrictive provisions of which, depriving the federal associations of every reason for their existence, suffice to explain the extraordinarily little progress of these co-operative associations, notwithstanding their utility.

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2. WORK OF THE MOSCOW PEOPLE'S BANK IN THE YEAR 1914. — The Moscow People's Bank, the origin, organisation and aims of which we dealt with in one of the earlier numbers of this Bulletin (1), has just published the report of its third working year, which is particularly interesting as showing the influence of the war on the principal central credit institute of the Russian co-operative societies.

From a financial point of view the outlook for the year 1914 appeared most encouraging. The world's market was calm and firm, discount showed a tendency to fall, and the banks of issue possessed absolutely sufficient bullion reserve. During the early months of the year the situation only improved, and everything seemed to promise a most profitable season, when the outbreak of the great European war unexpectedly changed the whole situation.

As regards the banks, the first effect of the crisis was a rise as general as sudden in the discount rate. At the Bank of England, for example, it rose from 3 to 4 % on the 30th. July, and the next day to 8 % and at last on August 13th. reached the maximum of 10 %, which fortunately could be soon afterwards reduced. A similar phenomenon was to be observed almost everywhere. On July 30th., the Bank of France raised the rate of discount from 3 ½ % to 4 ½ %; two days later it was raised to 6 %. In Russia, finally, the Imperial Bank raised its rate from 5 ½ % to 6 ½ % on July 30th.

This last change naturally affected all the private institutes credited by the Imperial Bank, and, consequently, also the Moscow People's Bank. In certain cases these institutes were obliged to raise their rate of discount to the absolutely prohibitive rate of 10 %, exclusive of commission.

Simultaneously there was a panic among the depositors. According to the returns of the Imperial Bank, 198,000,000 rubles of various kinds of deposits were withdrawn during the first thirteen days of the crisis, and on October 1st. (Russian style) the total amount of deposits withdrawn was 356,800,000 roubles; or almost, 1,000,000,000 francs.

(1) See Bulletin of Economic and Social Intelligence, for October, 1912, pp. 75 et seqq.

As far as the Moscow People's Bank was specially concerned, the deposits withdrawn in the first three days of the crisis amounted to 288,000 roubles, and the panic continued up to August 2nd., with a total withdrawal of 520,761 roubles of savings deposits and deposits in current account. If, under these circumstances, the Bank succeeded in keeping open, it was due to the providential intervention of the Imperial Bank of Russia, which, on July 23rd., opened for it a credit of 200,000 roubles, increased later to 800,000 roubles.

From August 2nd. a progressive improvement began in the economic position of the Moscow People's Bank. Deposits again flowed in, slowly and prudently at first, then in larger and larger quantity. In August they were only 11,000 roubles, in September they were already 386,000, In October they again decreased, it is true, to 279,000 roubles, but increased again in November to 384,000 and finally in December they reached the immense figure of 637,000 roubles. Thanks to these deposits, which not only completely made up for the withdrawals at the beginning of the crisis and in the months that followed, but even gave a surplus of more than 1,000,000 roubles, the Bank found itself in a position to continue its operations in quite an ordinary way, even lowering its rate of discount (which it had had to raise to 6 $^1/_2$ %), to *below* what it was before the war began.

Altogether, in spite of all the difficulties due to the absolutely exceptional circumstances of the moment, the Moscow People's Bank succeeded in maintaining its economic position firmly and in closing its accounts for the year 1914 with a net profit of 100,783.34 roubles out of a gross revenue of 521,304.03 roubles exceeding that for the year 1913 by 265,277.17 roubles.

Some general figures will show even better the remarkable increase in the business of the Bank during this year, in spite of its being beset with difficulties of every kind.

At the beginning of the working year the amounts held by the Bank were shown as 4,303,531.06 roubles; on December 31st., on the other hand, they amounted 8,430,610.18 roubles, distributed as follows: amounts derived from private institutions and private individuals 5,000,734.11 roubles, from co-operative associations, 3,429,776.07 roubles.

The total business of the bank increased in quite the same proportion. In fact from 56,000,168.74 roubles in 1913 it increased in 1914 to 100,221,080.64 roubles.

With regard to the various items of the accounts, the largest debits were the deposits in current account, the balance from which on January 1st,, 1915 amounted to the total sum of 3,854,325.20 roubles, as against 2,262.925.94 roubles on the 1st. of January of the preceding year.

This large increase in the amount of deposits enabled the Bank to increase its credit business. In 1914, it was able to open to the various co-operative organizations various credits amounting in all to 11,541,574 roubles, while, in 1913, it was only able to do so for a smaller amount of 4,175,224 roubles. In comparison with the previous year, the amount of

the business transactions between the Bank and its correspondents among the co-operative associations increased by 10,957,961 roubles, reaching a total of 32,803,307 roubles. The collections also increased quite as satisfactorily, reaching the figure never before attained of 3,264 amounts making a total of 923,584.88 roubles.

Finally, the business of the special Department of the Bank for purchase on commission, for the account of the co-operative organisations, of agricultural machinery, implements or other farm requisites, has increased in the most satisfactory manner, showing a total business done of 1,124,285.85 roubles or 576,893.26 roubles more than in 1913.

This consolidation of its general economic position has allowed the Bank to join with all the other banks of Moscow limited by shares in subscribing the great National loan at 5 %, undertaking for its part to place bonds for a total amount of 1,400,000 roubles.

Altogether, far from ruining or enfeebling the newly started central credit institute of the Russian co-operative societies, the terrible economic crisis, occasioned by the great European war, has, on the contrary, enabled the Bank to show itself clearly as a financial institute deserving of every confidence, and proof against any trial.

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3. GOVERNMENT SUBVENTIONS TO SMALL CREDIT INSTITUTIONS. — It is just a year since we published in this Bulletin a table showing the total amount of subsidies granted under form of loans on favourable conditions by the Russian Government to the various small credit institutions since their definite organization up to May 1st., 1914 (1).

From that table we see that at that date there were in Russia altogether 18,789 credit institutions for small credit (2) namely :

9,900 coperative credit societies of Russian system (Кредитныя товарищества) (3).

3,586 co-operative credit societies of Schulze-Delitzsch system (Ссудосберегательныя кассы),

200 " zemstvo " banks for small credit,

5,090 loan and saving banks of the rural communes, and lastly,

12 unions or federations of small credit institutions.

(1) See the Note etitled "Material Support afforded by the Russian Government to the Popular Credit Institutions" in the number of this Bulletin for August, 1914, pp. 44-46.

(2) The small credit institutions of Finland are not included in this total, nor are they taken into consideration in the present note.

(3) As regards the difference between the co-operative credit societies of Russian system and those of the Schultze-Delitzsch system, see the article " Co-operation in Russia " by S. Borodäevsky, in the number of this Bulletin for January, 1914.

On May 1st., 1914, these 18,789 institutions had received in all from the Government 258,854,100 roubles (688,551,906 francs), of which 45,430,700 roubles under form of long term loans, to make up the capital of the various institutions and 213,423,400 roubles as short term loans. In the year May 1st., 1913-May 1st., 1914 the net increase in the above amounts had been : long term loans 8,168,800 roubles, short term loans 63,416,200 roubles; altogether 71,585,000 roubles or 190,416,100 frs.

From the statistics published regularly in the weekly review of the Department of Small Credit Business (Вѣстникъ мелкаго кредита), it is evident that the action, as remarkable as it is beneficent, of the State in behalf of the small credit institutions has scarcely diminished in spite of the great European war.

In fact, on May 1st. of the present year, the total amount placed at the disposal of the small credit institutions by the State reached the immense figure of 322,604,600 roubles or 858,128,236 frs. distributed as follows:

Short term loans: 269,518,100 roubles, 59,415,000 roubles being granted specially for loans on pledge of grain.

Long term loans (for the initial capital of banks) : 53,086,500 roubles, of which 6,743,100 roubles were supplied by the Imperial Bank of Russia, whilst 43,913,600 roubles were furnished by the State savings banks and 2,429,800 roubles by the Department of Small Credit Business.

The distribution of these loans among the different classes of small credit institutions, the amount granted to each class of institution on May 1st., 1914 and May 1st., 1915, the increases in the amounts so granted in the course of the same period, and, finally, the increase in the number of the small credit institutions in the year, are seen in the following table, drawn up on the model of that published by us last year so as to facilitate comparison.

Material Support Afforded by the Russian Government to the Popular Small Credit Institutions.

	Number of Institutions			Long Term Loans (1) (in Roubles)			Short Term Loans (in Roubles)			Total (in Roubles)		
	May 1st, 1914	May 1st, 1915	Increase	May 1st, 1914	May 1st, 1915	Increase	May 1st, 1914	May 1st, 1915	Increase	May 1st, 1914	May 1st, 1915	Increase
Co-operative Credit Societies (Russian System) (2)	9,900	10,933	1,033	35,197,700	40,926,900	5,729,200	163,389,200	200,879,600	37,490,400	198,586,900	241,806,500	43,219,600
Co-operative Loan and Savings Banks (Schulze-Delitsch system)(2)	3,586	3,959	373	4,539,600	5,456,200	916,600	30,339,700	43,017,500	12,677,800	34,879,300	48,473,700	13,594,400
Zemstvo Popular Credit Banks .	200	234	34	3,318,000	4,077,000	759,000	15,038,000	18,510,000	3,472,000	18,356,000	22,587,000	4,231,000
Loan and Savings Banks of the Rural Communes	5,090	4,980	110	2,045,400	2,166,400	121,000	4,436,500	5,821,000	1,384,500	6,481,900	7,987,400	1,505,500
Unions of Popular Small Credit Institutions.	13	14	1	330,000	460,000	130,000	220,000	1,290,000	1,070,000	550,000	1,750,000	1,200,000
Total . . .	18,789	20,100	1,311	45,430,700	53,086,500	7,655,800	213,423,400	269,518,100	56,094,700	258,854,100	322,604,600	63,750,500
Total in frs . . .	—	—		120,845,662	141,210,090	20,364,428	567,706,244	716,918,140	149,211,902	688,551,906	858,128,236	169,576,330

(1) For the initial capital of small credit institutions. — (2) For further details in regard to these co-operative societies, see in the number of this Bulletin for January, 1914, the article "Co-operation in Russia," by S. Borodaevsky.

Thus, as we see from the table, the total number of small credit institutions, on May 1st., 1915 was 20,106 or 1,317 more than in the preceding year. The increase is observable in every class of small credit institution, except in that of the loan and saving banks of the rural communes, the number of which, on the contrary decreased by 110. The principal reason for this decrease is to be sought in the unfortunate organization and antiquated rules of these banks, evidently destined to be superseded by the far more modern and adaptable co-operative institutions properly so called.

Compared with the increase in the previous year (2,100 new societies), that of the year May 1st., 1914-May 1st., 1915 shows a falling off, a diminution of the general advance. This, which is shown by all the statistics, is due in the first place to the fact that in many regions co-operative credit has already attained a development quite sufficient for local needs. Let us observe that there is at the present moment to be noted among the Russian co-operative societies a very marked tendency to rally to the existing organisations, rather than to found new ones. A diminished increase in the number of the co-operative societies thus in no way implies a diminished increase in the number of members (1).

It is true that as far as co-operative credit is especially concerned, the difficulties placed by the authorities in the way of the foundation of federations of these associations have considerably impeded their natural development (2). These difficulties are now happily surmounted. The Government has just authorized the constitution of seventeen new federations of small credit institutions, thus, at one stroke, raising the number of these organisations to more than double what it was before (3), and a glance at the figures given for the "unions" in our table shows that comparatively the largest increase in the subsidies granted to the various classes of small credit institutions is precisely that affecting the credit granted to the federations. Let us add that at this moment *sixty* new federations are awaiting the approval of their rules from day to day (4).

In any case, it is certain the war has had nothing to do with this slight reduction in the numerical increase of the Russian small credit institutions.

The total amount granted by the Government for small credit in the year May 1st., 1914-May 1st., 1915, was, as our table shows, 63,750,500 roubles or 169,576,330 frs. Comparing this with the amount granted

(1) Unfortunately we do not possess the necessary elements — detailed statistics of the number of the members of the co-operative societies — to prove the truth of our assertion by means of figures.

(2) Cfr. the article "Federations of Co-operative Credit Societies in Russia in 1913" in the Number of this Bulletin for November, 1914.

(3) See § 1 of these notes.

(4) See the article "Рость кредитной кооперации" (Progress of Co-operative credit) by M. Ilinisky in the number of the "Кооперативная Жизнь" (Co-operative Life). for May, 1915.

in the preceding year (71,585,000 roubles) we observe a decrease of 3,834,500 roubles. This decrease, corresponding with the diminution we have just observed in the numerical increase of the institutions, is also absolutely independent of the circumstances of the moment. It is solely due to the fact that the small credit institutions have had no need for larger subsidies. The proof of this is that, on March 1st., of this year, the amount of credits open to these institutions at the Imperial Bank of Russia and the Government savings banks was 286,151,000 roubles, whilst the sums actually borrowed by the institutions to which it was open amounted only to 137,882,000 roubles or less than half what was available for them (1).

To sum up, we see that, in spite of the present war, the Russian Government has been able to continue its subventions to the small credit institutions in the same degree as in previous years. There has been no appreciable limitation of its action in this respect. On the contrary, the assistance given has far exceeded, as we have just seen, the requirements of the institutions.

(1) See the article of M. Ilinisky referred to above.

MISCELLANEOUS INFORMATION RELATING TO CO-OPERATION AND ASSOCIATION IN VARIOUS COUNTRIES.

DENMARK.

FARMS AND CO-OPERATIVE SOCIETIES. — Our official correspondent has sent us the following note: —

The last livestock census taken in July, 1914, has supplied interesting information in regard to the part taken by farms in various co-operative undertakings.

The principal results of this enquiry are shown in the following table compared with those obtained for 1909.

Number of Farms associated in the work of	1914	1909
Co-operative Dairies	154,175	154,602
Dairies Worked in Common	12,130	12,536
Co-operative Slaughterhouses	111,428	86,510
Co-operative Societies for Exportation of Livestock	8,316	8,303
Co-operative Societies for Sale of Eggs	41,757	48 172
" Horse Improvement Societies	19,104	23,191
" Livestock " "	17,740	27,777
" Pig " "	4,663	6,824
" Sheep " "	315	883
Control Societies	15,824	12,572

The number of farms associated in the work of the *co-operative dairies*, as in that of those *dairies worked in common*, seems not increasing. The number of cows in 1914, was almost the same as in 1909. This is probably due to an increase in the sale of milk in towns and perhaps also in part to increased exportation.

On the other hand, the number of members of co-operative slaughterhouses increased considerably between 1909 and 1914; in fact, from about 86,000 it has increased to more than 111,000. It is true that also the number of pigs has increased during the same period from 188,000 to 208,000, but this increase is proportionally less considerable than that of the members of the co-operative slaughterhouses. In 1909, 46 % only of the total number of pigs belonged to members of co-operative slaughterhouses; in 1914, the proportion had increased to about 53 %.

The number of farms engaged in *co-operative livestock improvement* has remained almost what it was in 1909, but the number engaged in the *co-operative sale of eggs* has decreased largely, and this is perhaps due to the larger share taken in this sale by the co-operative slaughterhouses, which make it part of their business also to collect and sell eggs.

The number of the members of the *co-operative livestock improvement societies*, generally, in 1914, was less than in 1909, which is certainly a result of the amendments introduced into the law of 1912 on domestic animals (*Haustiergesetz*) in regard to the regulations concerning Government subventions to undertakings of this character. The following table relates to co-operative horse and horned cattle improvement societies subventioned by the State between 1904 and 1913. The 1912 law only allows Government subventions to co-operative pig and sheep improvement societies.

	Coo-perative Horse Improvement Societies		Coo-perative Horned Cattle Improvement Societies	
	Number of Societies	Number of Stallions	Number of Societies	Number of Bulls
1904	236	300	913	1,013
1905	243	320	1,005	1,153
1906	233	273	1,095	1,369
1907	258	304	1,165	1,363
1908	258	303	1,240	1,465
1909	260	310	1,310	1,550
1910	270	312	1,260	1,464
1911	280	295	1,145	1,325
1912	267	281	1,072	1,228
1913	287	272	934	1,123

The total number of cows registered with the "Control" Societies increased from 12,600 in 1909 to about 15,800 in 1914. The increase is almost exclusively in Jutland, where there were in 1909 only 4,000 cows registered with these societies, whilst in 1914 there were 8,100. The largest increase was shown in the Rander Bureau, where the number has risen from 594 to 2,473.

GREAT BRITAIN AND IRELAND.

1.—MILK RECORD SOCIETIES IN SCOTLAND.—Systematic milk-recording is carried on in Scotland by a number of local record societies under the direction of the Scottish Milk Records Association. For this work the Association has received a grant up to a limit of £ 2,000 from the Development Fund, subject to certain conditions, including the appointment of a superintendent approved by the Board of Agriculture for Scotland. A small grant is also received from the Ayrshire Cattle Herd-Book Society.

The local record societies numbered 36 in 1914. The number of herds tested was 641, an increase of 60 herds as compared with 1913. The total number of cows tested was 26,424, an increase of 3,608. The recording season was in general 52 weeks, but was shorter than this in the case of some of the societies. The intervals between the tests varied from 14 to 28 days.

Although the cows tested represent only about 6 per cent. of the total number of dairy cows in the country, the resulting improvement affects other herds besides those tested, since from these herds good milk record sires are distributed to other dairy herds throughout the country. In the case of herds which have been systematically tested for several years a very marked improvement in the average milk yield has been noted.

(From an article on "Milk Records" by William Stevenson, in the *Transactions of the Highland and Agricultural Society of Scotland*, 5th. Series, Vol. XXVII, 1915).

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2.—GRANTS TO LIVE-STOCK IMPROVEMENT ASSOCIATIONS.—A grant of approximately £40,000, for use in improving the live-stock in England and Wales was made to the Board of Agriculture in 1913, and it is anticipated that similar grants will be made for some years to come. In order to impress upon farmers the advantages of co-operation in obtaining good sires, grants in respect of stallions and boars will only be made to clubs and societies. The same procedure will be followed wherever possible in the case of bulls, but in districts where bull societies cannot be formed, grants will also be made to individual breeders who are willing to place approved bulls at the disposal of their neighbours.

Grants will be made preferably to societies specially formed to take advantage of the scheme, but they may also be made to existing bull, stallion and boar societies. As the scheme is put forward specially in the interests of the smaller farmers, preference will be given to occupiers of agricultural holdings which either do not exceed 100 acres in extent or, if exceeding 100 acres, are of an annual value for purposes of income tax not exceeding £100.

For the provision of bulls grants to individual bull owners will not exceed £12 per annum. Grants to a society in respect of any one bull will not exceed £15 per annum. A society may provide a bull for the use of its members either by purchasing a bull and placing it in the custody of one of its members, or by arranging with the owner of a bull to place it at the disposal of the society on terms agreed between them. In the latter case, the society must guarantee the service of not less than 25 cows belonging to its members. The owner will be entitled under these circumstances (a) to a payment from the society of a sum not exceeding £12 ; (b) to a fee of not less than 2*s.* 6*d.* for each cow served, and (c) to have not more than 15 of his own cows served by the bull. If a society provide a bull in this manner, the grant of £15 made to it by the Board, together with a nominal subscription of (say) 1*s.* per member, would probably be sufficient to defray all expenses.

To societies which hire heavy horse stallions, no grants will be given if the service fee exceed £3 3*s.* In no case will a grant to a society exceed £80 for each approved stallion provided by it. Of this sum, not more than £40 may be a direct grant, the remainder being utilised, if necessary, for "assisted nominations." The value of an "assisted nomination" must not exceed half the service fee.

Grants for boars will be made to societies only and the amount for each boar will be £3 per annum. Where a society arranges with the owner of a boar to place a boar at the disposal of its members, it must guarantee the service of not less than 20 sows. The payment to the owner must not exceed £3 per annum ; the service fee must be not less than 1*s.*, and the owner may have not more than 6 of his own sows served by the boar. A subscription of 6*d.* per member, together with the grant, should be sufficient to defray all expenses.

Grants will also be made to milk-record societies whose members record the milk-yields of their dairy cows not less frequently than once a week and who employ a recorder to pay surprise visits to check, at least once every six weeks, the records taken. The amount of the grant will be half the expenses of the society up to £50 in respect of each whole-time recorder employed for every 20 herds in possession of the members.

(From the *Journal of the Board of Agriculture*, N° 1, April, 1915).

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3. — SOME AGRICULTURAL CO-OPERATIVE STATISTICS FOR 1913. — We have had occasion, in a previous issue, to draw attention to the different methods of classification adopted by the various Government Departments and private societies which publish statistics of agricultural co-operation in the United Kingdom (1). In the statistics for 1913 compiled by the Labour De-

(1) *Bulletin of Economic and Social Intelligence*, September 1912, "Some Statistics of Agricultural Co-operation."

partment of the Board of Trade and published in the April number of the *Board of Trade Labour Gazette*, the agricultural operations of the societies are classed as "productive" or "distributive" and in the case of production figures are given, not only for the agricultural co-operative societies properly so-called (that is, co-operative societies which are composed of farmers and aim at obtaining higher prices for what their members produce) but for the farming and dairying departments of the industrial co-operative societies, which are composed of consumers and aim at supplying their members with agricultural produce at reduced prices.

According to the computation of the Labour Department, there were 906 registered co-operative societies engaged in agricultural production and distribution in the United Kingdom in 1913. Of these 833 were societies engaged wholly in agricultural operations, 465 being engaged in the distribution of seeds, manures, implements, etc., and 368 mainly in the production of butter.

The 833 societies had an aggregate membership of 112,146, or an increase of 4.4 per cent. over the previous year, and of 85 per cent. over 1903. The total capital — share, loan, and reserve — amounted to £1,031,397, or an increase of 12.9 per cent over 1912. The aggregate sales amounted to £6,070,260 or 9.2 per cent. more than in 1912. The profit amounted to £39,923, a decrease of £11,294 compared with 1912. They employed 3,295 persons and paid £162,673 in wages, as compared with 3,071 persons and £146,669 in wages in 1912.

In addition to the 833 societies mentioned, there were 73 industrial co-operative societies having farming and dairying departments. These departments employed 699 persons, and paid £38,616 in wages, and had sales amounting to £307,015.

The following table shows, for England and Wales, Scotland and Ireland respectively, the sales of all the 906 distributing and productive societies and departments in 1913.

	Agricultural Distributive Societies	Agricultural Productive Societies and Departments	Total	
			Amount	Percentage
	£	£	£	
England and Wales	1,822,050	378,322	2,200,372	34·5
Scotland	417,742	285,988	703,730	11·0
Ireland	694,841	2,778,332	3,473,173	54·5
UNITED KINGDOM .	2,934,633	3,442,642	6,377,275	100.0

The *Labour Gazette* presents a comparative statement of the sales of all classes of agricultural co-operative societies and departments in each year since 1903. We shall content ourselves with extracting the figures

for 1903 and 1913, showing the growth of agricultural co-operation in ten years. For agricultural distributive societies the figures are given for each of the three Kingdoms:

Year	Agricultural Distributive Societies					
	England and Wales		Scotland		Ireland	
	Number of Societies	Sales	Number of Societies	Sales	Number of Societies	Sales
		£		£		£
1903	48	87,970	2	42,760	136	393,542
1913	242	1,822,050	73	417,742	150	694,841

For production only the total figures for the United Kingdom are given:

Year	Special Farming and Dairying Societies		Farming and Dairying Departments of Wholesale and Retail Industrial Distributive Societies		Total Agricultural Production by all Classes of Societies	
	No. of Societies	Sales	No. of Societies	Sales and Transfers	No. of Societies	Sales
		£		£		£
1903	225	1,181,056	51	427,594	276	1,608,650
1913	368	3,135,027	73	407,015	441	3,442,042

It should be noted that the goods produced by the productive departments of industrial co-operative societies are usually not sold direct, but are transferred to the distributive departments.

SWITZERLAND.

1. — THE WORK OF THE "CO-OPERATIVA AGRICOLA TICINESE". — The "Co-operativa Agricola Ticinese" (*Ticino Agricultural Co-operative Society*) has reached the tenth year of its life and, in spite of the serious crisis in trade generally and in the agriculture of Ticino in particular, even in 1914 it did a total business which renders it worthy of every confidence on the part of the farmers, whether they consider it as a means for favouring

agricultural development or as one of the many investments for their capital open to them.

Founded in 1905, in its first year it did a total business of 106,499 frs. which increased threefold in the following year, and exceeded 500,000 frs. in 1907 ; the business continued to increase to 1,124,000 frs. in 1911 and to the maximum amount of 1,340,233 frs. in 1913, remaining about the same in 1914, when it was 1,146,364 frs.

Examining the work of the society in its details, we find that it was very active in the purchase and sale of grain ; in 1914 it sold grain to the amount of 485,475 frs. as compared with 527,584 frs. in 1913. The decrease is to be attributed to the crisis occasioned by the war and the monopoly decreed in consequence by the Confederation. The sales of hay and straw were also reduced and did not exceed 283,475 frs. in amount, as compared with 418,711 frs. in 1913. There was also a reduction in the sales of chemical manure, certainly connected with the bank failures, which have led the farmers to avoid all expenditure not absolutely necessary ; the sale of manures decreased in amount from 55,120 frs. to 48,342 frs. The sales of sulphate of copper and sulphur were large, as were also those of salt for the consumption of sheep. The sales of agricultural implements and machinery, so important for the progress of agriculture, were again less than in 1913; in 1914, they had decreased from 33,089 frs. in amount to 31,024 frs. The sales of potatoes were excellent, and alone amounted to 69,565 frs. as against 10,621 frs. in 1913.

Among the various branches, that of Bellinzona, keeps the first place, its sales alone exceeding 500,000 frs. in amount. Then come Lugano with 209,539 frs., Biasca with 108,654 frs., Mendrisio, Locarno, Airolo, Ambrì and Novaggio with smaller amounts. The accounts were closed with a net profit of 10,679 frs., which allowed of a dividend of 4 % to the shareholders and of 1 % to the purchasers.

(Summarised from "*Agricoltore Ticinese.*" Year XLVII, N°. 12. March 20th., 1915).

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2. — STATE SUBVENTIONS TO THE AGRICULTURAL CO-OPERATIVE SOCIETIES IN 1914. — We reproduce from the recently published Report (1) of the Swiss Department of Agriculture, Industry and Commerce, on the business done in 1914, the information relating to the State subventions to agricul-

(1) Bericht des schweizerischen Handels-, Industrie- und Landwirtschaftsdepartments über seine Geschäftsführung im Jahre 1914. IV. Abteilung Landwirtschaft (Report of the Swiss Department of Agriculture, Industry and Commerce on the Business done in 1914. IVth. Section. Agriculture) 52 pp.

tural co-operative and other societies and the subventions for improvement of the soil. Out of a credit of 32,000 frs., a subvention of 24,531.61 frs. was assigned to the Swiss Farmers' Society; out of a credit of 17,000 frs., 16,177 frs. were granted to the Federation of Agricultural Associations of Latin Switzerland; to the Agricultural Society of Canton Ticino, 4,500 frs. were granted corresponding with the amount of the credit for the purpose; the Swiss Society for Alpine Economy received a subsidy of 9,000 frs. corresponding with the credit; the Swiss Horticultural Society received 9,294,90 frs. out of a credit of 9,500 frs. To the Swiss Peasants' Federation a subvention of 40,000 frs. was granted.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO CO-OPERATION AND ASSOCIATION.

ARGENTINA.

AUBONE (D. R.) y ZAVALLA (C. M.): LAS BODEGAS COOPERATIVAS EN EL MEDIODÍA DE FRANCIA, PROYECTO DE APLICACIÓN EN LA REPÚBLICA ARGENTINA (*Co-operative Wine Societies in the South of France, Proposal for the Application of the System in the Argentine Republic*). "Boletín del Ministerio de Agricultura". Nos. 1-2. Buenos Aires. January, and February, 1915. pp. 44-85.

The above work is the outcome of studies made in Europe by the agricultural engineers, Aubone and Zavalla, in behalf of the Argentine Government.

The authors, after having given a brief account of the organisation and working of the French co-operative wine societies under their two forms (as civil societies and as limited liability societies with capital unlimited), show the advantages the Argentine viticulturists would derive froma similar organisation, in view of the difficulties of their situation, rendered more acute by the present crisis in viticulture and winemaking in the country.

The serious crisis through which this industry is now passing is due to three principal causes; the formation of a kind of trust by the large societies; the insufficient repression of frauds, and, finally, the excessive number of middlemen between the producer of the grapes and the consumer of the wine.

The authors, considering that the progress of viticulture and winemaking entirely depend on the solution of the problem of the organisation of production and sale, think that co-operative organisation would enable the producers: 1st. to compete successfully with the large societies above mentioned; 2nd. to combat fraud by sale of pure products without any increase in their price; 3rd. to form reserve stocks so as to regulate prices, and 4th. to eliminate the middlemen by means of the foundation of warehouses for sale in the centres of consumption.

With regard to the practical application of this system of organisation in the country, the authors consider that as there is no special law governing co-operative societies in Argentina, the associations might take the form of civil societies. In any case, they draw the attention of the authorities to this

important mather, in order that it may be settled by special legislative provisions, as well as to agricultural credit which would be of valuable assistance in the constitution of co-operative societies.

At the end of the book, sample rules for co-operative societies are given, modelled on those of the French societies and adapted to the conditions of viticulture and winemaking in Argentina.

UNITED STATES.

MEEKER (ROYAL), Commissioner of Labour Statistics, and WELD (L. D. H.), University of Minnesota : MARKET DISTRIBUTION. Two papers contributed to the Twenty-seventh Annual Meeting of the American Economic Association, Princeton, N. J. (December, 1914). "American Economic Review" (Supplement), March, 1915.

Market Distribution was one of the subjects brought under discussion at the last annual meeting of the American Economic Association, and the two papers submitted are of more than passing interest.

Both papers deal with the marketing of agricultural produce, and in both of them a serious attempt is made to analyse the problem and discover precisely what is wrong with the present system of distribution. In a sense, too, both papers are a complete vindication of the middleman — that is to say, of the honest middleman — in the business of distributing farm products. "The middleman", Mr. Meeker says, "may be eliminated, but the functions performed by him cannot be eliminated. If the grocer does not come between the farmer and the consumer, then either the farmer or the consumer has to play grocer." As neither the one nor the other has time to play grocer it becomes necessary to employ someone else. This seems fairly evident ; but as a matter of fact it is a truth very frequently overlooked.

While Mr. Meeker rightly insists upon the useful function performed by the middleman he admits that the waste which occurs in the present system is stupendous, or as he puts it, "The lack of co-ordination in distributing commodities is almost perfect." He makes two principal suggestions for improvement, — the organisation of the famers into local co-operative associations, and the introduction of what he calls a 'flat' or 'postal' rate for the transport of agricultural produce. Briefly, this last proposal is that equal quantities of the same product should be carried by the railways for a fixed charge, irrespective of distance, upon the same principle as that upon which letters are carried, and Mr. Meeker is frankly of opinion that food "is more important to social well-being than literature, especially the literature with which the United States mail-bags are stuffed."

As minor improvements he suggests that commission merchants might be required to take out a licence and to give bond, and that public

markets in which farmers could sell direct to consumers might be established in greater numbers. He points out, however, that the number of producers who can devote their time to selling to individual consumers is relatively very small, so that the establishment of markets for business of this kind will solve but a small part of the problem of distribution.

The second paper, contributed by Mr. Weld, is particularly interesting because of its careful analysis of the functions of the wholesale dealer. Mr Weld calls attention to the fact that the selling process has until recently been almost entirely neglected by economists, who have persisted in concentrating their attention upon the factory industries. He points out, too, that economists who teach that in manufactures, efficiency can only be reached through specialisation, are filled with righteous indignation upon discovering that the selling process is in the hands of specialists, and that there are even different types and grades of such specialists.

Mr. Weld determines what functions the wholesale receiver has to perform by considering the reasons why country shippers do not sell direct to the retail stores in the towns. He finds: (1) that the quantity sent at one time by the local shipper (who wishes to secure the greatest economy in freight charges) is too large for the retailer to handle; (2) that shipments from any one locality vary in quantity from shipment to shipment and for different times of the year; (3) that the quality of the produce sent by the local dealer is very variable; (4) that business relations between retail stores and country shippers are difficult to establish; and (5) that retail dealers are notoriously slow payers. It is clear that between the country shipper and the retailer there is room for at least one wholesale dealer. Mr Weld is even prepared to assert that in some cases where at present there is but a single class of wholesaler it would be economical to establish two classes and distribute the wholesaler's functions between them. He sees clearly, however, that there is much waste and many opportunities for fraud and sharp practice in the wholesale produce trade and he suggests as remedies for the chief defects, first, co-operation among producers, second, voluntary associations among dealers; third, government regulation, and fourth, education in the principles of economic selling.

The lack of precise information with regard to co-operative associations is somewhat strikingly illustrated in the two papers. Mr Meeker says there are at present about 500 co-operative marketing associations in the United States, while Mr Weld follows with the statement that there are now over 1000 co-operative marketing organisations in Minnesota, including creameries which also manufacture. If we deduct Mr. Weld's own figure—614—for the number of creameries, it appears, according to him, that there are more than 386 co-operative marketing associations in Minnesota alone, a figure which can hardly be reconciled with Mr. Meeker's estimate of "about 500" for the whole of the United States.

RUSSIA.

GEBHARD (HANNES): HUFVUDDRAGEN AF ANDELSVERKSAMHETEN I FINLAND: (*Principal Features of the Co-operative Movement in Finland*). Library of the Pellervo Society. Vol. 1. (2nd. edition). Helsingfors. Pellervo Society, 1915. 1 Vol. 16mo, pp. 152.

Under this title, the founder of Finnish co-operation, Prof. Hannes Gebhard, has just published a book, which gives at once a concise and clear account of the development of co-operation in Finland since its introduction in 1889, up to January 1st. of the present year, and is as practical a guide as possible for those desiring to found new co-operative societies in the country.

In the introduction the author briefly shows the advantages of co-operation and gives an account of its general development in the principal countries of Europe. Then comes a most interesting chapter relating the beginning of the movement in Finland and the successive stages of progress. The oldest co-operative society of the "Land of the Thousand Lakes" only dates from 1889. It was a distributive society and the results were not very encouraging. During the following ten years hardly a dozen new societies were founded in the country.

A complete change took place in 1899, that is to say with the foundation (on Professor Gebhard's initiative) of the "*Pellervo, Society for the Propagation of Rural Co-operation in Finland*", and the change was so sudden, so radical and so important that at present Finland, with its 2,300 various co-operative societies, for a population of 3,000,000, takes the fourth place among European countries in respect to the proportion of associations of this character per number of inhabitants. In fact, while Finland has a co-operative society per 1,400 inhabitants, the only countries in which the proportion is higher are Switzerland with one per 500 inhabitants, Denmark with 1 per 600 and Sweden with 1 per 1,100.

In the second part of his work, Prof. Gebhard deals with the local co-operative societies. He examines one after another all the various kinds of co-operative society to be met with in Finland. In each case he indicates the objects, the usual organisation and the conditions most favourable to development. On the basis of the experience acquired, ascertained by means of enquiries made by the Pellervo society, he shows the conditions of local economics and culture indispensable to ensure the success of each variety of society. Finally, for each group he gives a general statistical table showing the general development of the societies belonging to it and their situation on the 1st. of January of this year.

The third part of the little volume deals with the federations of local co-operative societies and the central institutions founded with the object of promoting the business of the societies. Finally, we find a bibliography as complete as possible.

SERBIA.

SMITH (ADOLFE) : ZADRUGAS, THE STRENGTH OF SERBIA. In the " Contemporary Review ", N° 592, April, 1915.

The writer of this article has had opportunities of studying at first hand the " Zadruga " system of Serbia and gives an interesting account of it. Comparing the Zadruga with the better known Russian Mir, he says : " The Mir is a municipality run on communistic principles ; the Zadruga is only a family estate, but it is also run on communistic principles. If, however, the Zadruga is smaller, poorer, weaker, it is much better, much more thorough in what it does, and, in comparison with its size, stronger. "

The Zadruga is a patriarchal institution. Whether large or small, it consists exclusively of members of one and the same family. It varies greatly in size and wealth, but all are more prosperous than their neighbours who own and work an equal amount of property for their individual advantage. The success of the Zadruga is due to discipline and subdivision of labour. Each woman or man, boy or girl, is given the work for which they are best fitted. When the harvest is gathered in, the annual settlement takes place. What produce is not needed for home consumption is sold, the taxes are paid, supplies of necessaries are bought, and, out of what remains, it is possible to provide such luxuries as ornaments for dresses or embroidery for men's waistcoats. If difference of opinion arises, the patriarch decides whether the matter in dispute " is suitable to his house. "

" Few will question ", says the writer of the article, " the advantage of co-operation, combined with the sub-division of labour. The difficulty is so to manage things as to maintain harmony among those concerned. How is it possible to deal with the envy, the jealousy, the personal ambitions of the would be co-operators ? In the Serbian Zadrugas, these innate difficulties are met by the patriarchal system. To prevent discussions and wrangling, absolutism is accepted. Sometimes it may happen that, for the sake of his unquestioned ability, a younger member of the family is elected chief, but, generally speaking, it is the eldest who rules. "

Part II: Insurance and Thrift

FRANCE.

A NEW BILL ON SOCIAL INSURANCE.

OFFICIAL SOURCES:

PROJET DE LOI ADOPTÉ PAR LE SÉNAT DANS SES SÉANCES DES 4 ET 12 MARS 1915, portant création d'un livret d'assurances sociales et modification de la législation de la Caisse Nationale d'Assurance en cas de décès (*Bill, passed in the Senate on March 4th. and 12th., 1915, for the Institution of Social Insurance Pass Books and Amendment of the Laws regarding the National Life Insurance Society*).

RAPPORT FAIT AU NOM DE LA COMMISSION D'ASSURANCE ET DE PRÉVOYANCE SOCIALES (Chambre des Députés) chargée d'examiner le projet de loi ci-dessus (*Report of the Commission on Social Insurance and Thrift (Chamber of Deputies) appointed to examine the above Bill*) presented by M. André Honnorat, Deputy. Schedule, No. 612 — Session of May 11th., 1915.

On March 4th. and 12th., 1915 the Senate passed a bill the object of which is twofold: on the one hand, it institutes social insurance pass books; on the other hand, it introduces some amendments in the law regulating the National Life Insurance Society: by allowing the fractional payment of entire life premiums, reduction of the term for the insurance to take effect, cession of the entire and mixed life insurance policies to the cheap dwelling house and popular credit societies, reduction of the age for first insurance from sixteen to twelve years, right of option for applicants for mixed insurance between a probationary period and the medical visit, extension of the benefits of the provisions of article 3 of the law of March 9th., 1910 on insurance of deferred annuities to the advantage of the public administration of the State, the departments, the communes and public establishments.

A few brief explanations will suffice to show the importance of these various measures.

§ 1. The social insurance pass book.

Among the various forms social thrift can take, insurance is certainly that to which the saving most frequently have recourse; thanks to the combination of the effects of capitalisation and mortality, it, in fact, makes results possible that could not be attained by a simple investment of capital.

Long ago the French law took into account the considerable advantages the working classes could derive from thrift and efforts have been multiplied, above all in recent years, to popularise and develop the idea of insurance among the people. This is the origin of the successive developments given to the two principal national thrift institutions: the National Old Age Pension Fund and the National Life Insurance Society, the object of the first being principally to supplement the resources of those whose age prevents their working, and that of the second to insure an amount of capital either at death of the policy holder or at his reaching a certain fixed age.

But, to-day, whoever desires to obtain the benefits offered by both the National Old Age Pension Fund and the National Life Insurance Society, for example to obtain an annual pension and a fixed sum, must address himself to two institutions, make two applications, sign two contracts, pay at different moments different premiums, which is all the more anomalous, as both institutions are guaranteed by the State and administered by the same establishment, the Deposit and Consignment Bank.

The object of the social insurance pass books is to put a stop to this anomaly which may be a hindrance to those hesitating about insuring. With their introduction, the complications due to the two services of the National Old Age Pension Fund and the National Life Insurance Society disappear: the Deposit and Consignment Bank will receive the various payments of the depositors directly, enter them in one and the same book, itself distributing the amount between the two societies according to the instructions of the depositors.

For the easier distribution of the premiums, the amount of the payments is fixed at 12 francs or a multiple of 12 frs., a year, in the case of each kind of insurance.

A decree will also decide through which agents of the State payments can be made, and these will be of of course the same as those who receive amounts for the National Pension Fund and National Insurance Society; general treasurer-paymasters, special receivers of finance, collectors of direct taxes, and post masters; the applicant will thus find numerous offices at his disposal and this will facilitate the work.

Thus, provided with a means which will enable him without expense and with a minimum of formalities to obtain the most varied combinations of the benefits of insurance, the depositor will find that both he himself and his family have the most valuable and the most satisfactory security for the future.

Shall we consider here the results to be obtained under these conditions by a policy holder of small means? Here are, for example, the figures given by M. Henry Chéron in his statement of the grounds for the bill laid before the Senate:

" To obtain at twenty five years of age a capital of 1,330 frs., representing the fifth part of the value of a house of more than 6,500 francs value, which the policy holder may acquire without delay on application to a real estate credit organisation, — and then insure for an amount of 1.158 fr. at his death, with a pension of 416 frs. at sixty years of age, which, with his workman's pension, will form a total of more than 720 frs., he need only pay, from his third to his sixtieth year an amount of 48 frs. a year, or less than 15c. per day (15 centimes per day would be 54 frs. a year). Thus, with a saving of this small sum on the part of the father of the person insured and the person himself, the following results would be obtained:

The policy holder would become at twenty five years of age owner of the house, except that he must pay the remaining four fifths of the price in annual instalments amounting to less than an ordinary rent;

If he dies between the age of twenty five and sixty, his heirs will become full proprietors of the house, with no annuities to pay. Further, the widow and children will receive an amount of nearly, 1,200 frs., without the amount to which they could lay claim in virtue of the law on workmen's pensions being affected;

Finally, when the person assured attains sixty years, his workmen's pension, if he has paid instalments since his schooldays, will amount to 720 francs a year, or about 2 francs a day.

It need not be said that as the life insurance policy in the National Society is taken out for the entire life, even if the policy holder dies before drawing his pension, the amount of 1,158 frs. will be paid to his widow, if he has made over the insurance to her and she will be able to convert it into an annuity to add appreciably to her pension.

These are the results which the social insurance pass book will obtain by means of payments which, added to the contributions to the workmen's pensions, according to the law, will amount in all to less than 15 centimes a day, up to the completion of the policy holder's eighteenth year and to 16 centimes a day from that date up to the completion of his sixtieth year. "

§ 2. Amendments to the law on the National Life Insurance Society.

(1) *Fractional Payments of Life Insurance Premiums.* — The decree of April 17th., 1900, laying down the conditions under which the Life Insurance Society may organise mixed insurance according to the law of July 17th., 1897, in its 8th. article authorizes policy holders to pay their annual premiums, in half monthly, quarterly or monthly instalments. Previously, life insurance had been regulated by article 2 of the law of July 11th., 1868.

which only contemplated annual premiums. The new text proposed aims at abolishing a difference of treatment neither to be excused on the ground of justice nor of facts.

But to prevent the National Life Insurance Society incurring risks out of proportion to the premiums paid, it has appeared necessary to reduce the term of a year the policy holders are allowed in which to pay their premiums. This term is reduced by half if at least one premium representing six months' insurance has not been paid. The new text applies both in the case of life and of mixed insurance.

(2) *Reduction of the Term for the Insurance to take Effect.* — Several laws posterior to that of 1868 have made medical examination either compulsory for those insuring with the National Insurance Society, in the case of mixed insurance, or optional for them in the case of life insurance. The object of the reform was to give the policies immediate effect and to relieve the policy holders from the necessity of the two years' probation instituted by article 3 of the law of July 11th., 1868. But the probation was not absolutely suppressed. It is still permitted in the case of all those who do not wish to submit to the formalities of a medical examination who are allowed liberty of option by the law. Only, owing to its very conciseness, the text of article 3 of the law of 1868 calls for amendment. In fact, it runs as follows : " any insurance policy taken out less than two years before decease is null and void. " It is a formal, inexorable rule. It applies even in case of violent death through accident, which is an exaggeration. So the bill amends this article by adding the final clause " except in case of violent death due to accidental bodily injury. "

The same article is also further amended by the bill, in regard to the consequences of the suspensions of the insurance, first on account of the probation, and then of exceptional causes to be stated in the policies (suicide, judicial sentence etc).

In case of suspension of insurance, the 1868 law provides that, on decease, the payments made shall be returned to the heirs with 4 % simple interest ; the text of the bill, on the contrary, proposes their repayment without interest. In fact, by granting interest, the National Society more especially encourages all those in precarious health to insure by means of the system of probation, for valetudinarians have nothing to risk in this way ; if they live for two years the insurance takes effect ; if they die, their heirs receive the premiums with interest ; so there is no chance of loss for them and thus a selection is made to the detriment of the National Bank.

The new rule is, therefore, far more rational. It is well known also that insurance companies, in similar cases, for example in the case of suicide when suffering from mental derangement, only repay the reserve if the premiums have been paid for more than three years ; article 54 of the bill on insurance policies has made this use the unvarying rule.

Let us add that in future, when the sum assured is less than 500 frs., the period of probation is reduced to one year.

Finally, and with good reason, it is provided that in no case may the amounts repaid exceed the amount assured at death.

(3) *Transfer of the Entire and Mixed Life Insurance Policies to the Cheap Dwelling House and Popular Credit Societies.* — The laws on cheap dwelling houses, real estate credit, agricultural and maritime credit, contemplate, in the case of borrowers who apply to an establishment authorised as a popular credit organisation, the obligation or the power to take out a temporary insurance policy at the National Insurance Society, so as to guarantee at death of the deceased, the payment of the whole or of the balance of the instalments of their debt. If the borrower already holds a mixed insurance or a life insurance policy, it is natural that he should be allowed to devote the amount of his insurance to the repayment of his debt, for, otherwise, he would either be forced to support the burden of a double insurance or to abandon his hope of a loan. By the proposed amendment, the borrower will only have to take out a temporary life insurance policy corresponding with the excess of the loan over the amount assured on his policy in force.

(4) *Lowering of the Minimum Age for Insurance from 16 to 12 Years.* — Article 5 of the law of July 11th., 1868 provides that no one may insure unless he is at least sixteen years old.

On the other hand, the law of December 8th., 1904 only forbade the insurance of the lives of children under 12 years of age.

As certain combinations of insurance, such as mixed insurance, are the more advantageous the lower the age at which the insurance commenced, it seemed logical to bring the law of 1865 into harmony with that of 1904.

(5) *Extension of the Two Years' Probationary Term in the case of Mixed Insurance.* Article 2 of the law of July 17th., 1897 absolutely requires that applicants for mixed insurance should submit to a medical examination. This compulsory examination is so much objected to by some applicants for insurance that it deters them from insuring. As it is altogether desirable that mixed insurance should spread as widely as possible, it seems best to leave the applicants in every case the choice between medical examination and the probationary term provided for by law in the case of life insurance.

(6) *Policies taken out by the Public Administrations of the State, the Departments and the Communes, as well as by Public Institutions.* — According to article 3 of the Law of March 9th., 1910 "the limitation of the amounts guaranteed by the National Insurance Society are not applicable in the case of life insurance for the purposes of the execution of a law or decree establishing, in the case of a particular staff, conditions for pension or allowances in case of death. The capital thus assured is altogether untransferable and undistrainable; transfer, however, may be made on the condition of its forming no obstacle to the carrying out of the provisions of the law or decree in virtue of which the insurance policies are taken out."

Further, in case of insurance of deferred annuities, the period may be less than five years, when the term in which the insured will become superannuated is less than five years. In case of life or mixed insurance, dispensation from the formalities in connection with the probationary stage or the medical examination, for the whole or a portion of a particular staff, may be granted by joint decree of the Ministers of Labour and Finance, after consultation with the Superior Committee of the National Insurance

Societies, when it is recoganised that the dispensation will involve no risk for the society.

Similarly, the law of March 27th., 1911 provided that the pensions arranged by the public administrations through the National Old Age Pension Fund for their agents not benefiting under the law of June 9th., 1853 on civil pensions, or their consorts, shall not be limited to 1,200 frs. per head as fixed by article 6 of the law of July 20th., 1886. On the other hand, a bill has been presented to extend the benefits of the law of March 27th., 1911 to the agents of the public, departmental and communal administrations and to those of the public institutions and certain institutions of public utility.

The relations established between the National Old Age Pension Fund and the National Life Insurance Society must have it for their natural consequence to establish harmony as far as possible in these various cases.

Article 7 of the bill establishes this harmony, providing that the provisions of article 3 of the law of March 9th., 1910 will be applicable in the case of insurance policies taken out by the public administrations of the State, the departments and the communes for the benefit of their agents not benefiting under the law of June 9th., 1853 on civil pensions, and for their consorts, even if, contrary to the provisions of that article, these policies are not taken out in accordance with a law or decree.

A final paragraph provides similarly for the case of public institutions and institutions of public utility, which, by analogy, will be admitted to these benefits by the Superior Committee of National Life and Accident Insurance Societies.

It is to be expected that the institution of the social insurance pass books will be of valuable assistance in diffusing ideas of thrift, through the permanent proof it will give of the advantages of the combination of pension and life insurance. These books will be in the hands of their owners, an excellent means of propaganda.

The amendments made in the laws on the National Life Insurance Society can only contribute to the progress of this institution. So we can only rejoice to find that the Committee of the Chamber of Deputies, entrusted with the examination of the bill already approved by the Senate, has proposed its adoption pure and simple.

RUSSIA.

INSURANCE SOCIETIES OF INTEREST FOR RURAL ECONOMY IN FINLAND.

From the annual official reports of the Government Inspector of Insurance societies we learn that at the beginning of 1914 the risks undertaken in Finland were the following: (1) life, (2) accidents, (3) fire, (4) transport, (5) windows, (6) death of livestock, (7) theft, (8) strikes. Some societies also undertook (9) fidelity and (10) lease risks and (11) reinsurance.

Of all these eleven forms of insurance, only livestock insurance is strictly and exclusively agricultural in character. Nevertheless, in view of their very considerable importance for the whole rural and economic life of the country, we shall consider in this article also the statistics collected relating to life, fire and accident insurance.

Unhappily, for reasons purely local as well as accidental and temporary, this study cannot be made as complete as we should desire. In Finland, insurance is undertaken by three different groups of societies: those that may be called Finnish societies in a national sense, Russian societies working in Finland, and foreign societies authorized for work. Now, as the Russian societies are exempted from the duty of sending regular reports of their work to the Finnish authorities, the official Finnish statistics cannot include the figures for their work. On the other hand, as a result of the present war, it has not been possible to obtain the necessary information in the case of a large number of the foreign societies authorized to work in Finland.

Without going into unnecessary details, we shall endeavour approximately to fill the gaps due to the above causes, the comparatively small importance of which will be clearly seen from the figures we give in our tables, which are all reproduced from the last official reports (1).

§ 1. Life insurance.

In addition to some Russian societies, with the work of which we cannot deal, for the reasons indicated above, this branch of insurance is

(1) From the successive volumes of the "Försäkringsväsendet" (Insurance) in the large collection of the "Bidrag till Finlands officiella Statistik" (Contributions to the Official Statistics of Finland).

undertaken in Finland by five national Societies (1) and twenty five foreign societies duly authorised (2). Its general progress in the course of the last twenty years is seen in the following table :

TABLE I. — *Progress made by Life Insurance in Finland between 1893 and 1913.*

Years	Total Amount Assured in Finnish "Marks" (*)				
	Finnish Societies	Foreign Societies	Total	Annual Increase	Average Amount Assured per Inhabitant (**)
1892	60,943,730	44,960,740	105,904,470	—	43.6
1893	67,853,141	47,872,685	115,725,826	9,821,356	47.3
1894	75,850,779	50,922,954	126,173,733	10,447,907	50.9
1895	84,804,732	53,829,455	138,634,187	12,460,454	55.1
1896	95,401,914	59,019,928	154,471,342	15,787,655	60.6
1897	104,961,120	63,487,522	168,448,642	14,026,800	65.1
1898	114,405,628	69,328,205	183,733.833	15,285,191	69.8
1899	124,007,670	71,078,106	195,085,776	11,733,833	72,9
1900	134,741,791	71,602,535	206,344,326	11,258,776	76.1
1901	145,426,491	71,957,310	217,383,801	11,039,475	79.3
1902	155,914,232	72,791,903	228,706,135	11,322,334	84,3
1903	168,827,353	73,827,923	242,655,276	13,949,141	86.4
1904	186,423,223	73,743,047	260,166,370	17,511,094	92.4
1905	205,314,008	74,038,823	279,352,831	19,186,461	99.8
1906	239,097,013	76,017,501	315,115 414	35,762,583	109.0
1907	278,727,664	77,276,365	356,004,029	40,888,605	121.3
1908	330,266,638	76,286,560	406,553,198	50,549,169	140.2
1909	398,285,359	70,654,847	468,940,206	62,387,008	156.9
1910	479,048,215	69,844,168	548,897,383	79,957,177	181.3
1911	575,037,744	67,228,014	642,260,758	93,363,375	203.6
1912	661,334.044	64,692,702	726,026,746	83,765,983	227.2
1913	735,226,942	—	—	—	246.0

(*) The Finnish Mark of 100 "penni", which must in no way be confused with the German Mark, has the value of exactly one franc.

(**) The population of the country in 1911 was 3,115,197.

(1) That is to say, the society limited by shares, "Kaleva", founded at Helsingfors in 1874, the mutual society "Suomi", founded at Helsingfors in 1890, the mutual society "Fennia", founded at Åbo in 1905, the society limited by shares, "Salama", founded at Helsingfors in 1910, and, finally, the Mutual Society "Kataja", founded at Helsingfors in 1912..

(2) Of these, eight are Swedish, 4 British, 4 German, 2 American, 1 French and one Dutch.

The first conclusion we may draw from these figures is that Finland is one of the countries of the world in which the largest amount is insured on life per inhabitant ; in Italy for example in 1912 the amount was only 51.43 frs. and even in Germany the amount (240 frs.) was less than in Finland.

It is not possible to ascertain precisely the number of the policy holders, as, in making out their returns, the insurance companies only take account of the number of *policies*, and one and the same person may be insured in several companies, or even take out several policies in the same company. Approximately, we may calculate the total number of policy holders about the end of 1913 at 350,000, a very large proportion of the population. The figure also tends to increase more and more rapidly, to judge by the following table showing the annual increase of the policy holders in the Finnish societies alone between 1904 and 1913.

TABLE II. — *Successive Increase in the Number of Policy Holders in the Finnish Life Insurance Companies.*

Years	Increase	Years	Increase
1904	5,302	1909	27,934
1905	5,545	1910	36,595
1906	9,033	1911	48,826
1907	10,982	1912	51,770
1908	22,633	1913	54,063

The specially rapid increase in the number of the policy holders since 1908 is due chiefly to the successive introduction, by four different companies, of *popular* insurance with reduced premiums payable weekly.

Apart from this special circumstance, the remarkably rapid progress of life insurance in Finland is due, partly to active and intelligent propaganda in favour of thrift, and partly to the fact that personal credit, which is highly developed in the whole country, requires, among other guarantees and securities, the insurance of the borrowers' lives.

One of the most characteristic features of the general development of life insurance in Finland is its consistent and progressive " nationalisation ". We see in fact in Table I, that, while the amount of the capital assured in the Finnish companies is constantly increasing and remarkably rapidly, the amount assured in the foreign companies on the contrary has decreased regularly and rather remarkably since 1907.

In the case of the various forms of insurance of annuities, which we shall not consider here as being of minor importance for rural life,

the proportion of the Finnish companies is still more marked. In fact, on December 31st., 1913, the total amount of the annuities assured was :

in Finnish companies	740,817	Finnish marks
» foreign »	69,394	» »
Total . . .	810,211	» »

To complete our account of life insurance in Finland, let us add, that on December 31st., 1912, approximately the amount of the capital assured in the Russian companies working in Finland was 10,000,000 Finnish marks. Taking this into account, we find the amount assured per inhabitant increased in 1913 to 249.1 Finnish marks, indisputably one of the highest averages in the whole world.

§ 2. Accident insurance.

In the field of agricultural industry properly so called, accident insurance may be said to be non-existent. Since December 5th., 1895, it is true there has been a law in Finland " on the liability of employers for accidents befalling labourers engaged in their work ", which came into operation on January 1st., 1898, but this law, intended almost solely for the protection of industrial employees, only applies to agricultural employees in quite exceptional cases. It has long been contemplated extending its beneficent effects to agricultural labourers, but it has not yet been possible to realise the idea, for reasons which cannot be discussed in this article.

Under these conditions, we shall limit ourselves to indicating below the organisation of this branch of insurance, giving a few quite general figures relating to it.

First of all in regard to the workmen's insurance rendered compulsory by the law of which we have just spoken, the State has hitherto not had to found an official institution for the purpose. The private institutions seem in fact to satisfy the masters' needs completely.

Since the new provisions of the law came into force, the two Finnish Companies, limited by shares, " Patria " and " Kullervo " have obtained authorisation to issue policies in terms of the law of December 5th., 1895. Their example has been in turn followed by a third Finnish Company, limited by shares, the " Providentia ", three Russian Companies, and finally by a Swiss one (Schweizerische Unfall-Versicherungs-Aktiengesellschaft in Winterthur). On the other hand, the heads of businesses have organised mutual societies for the purpose. At present, there are altogether six of these, five only for employers in a special branch of industry, whilst the sixth, the General Mutual Society, " Sampo " is not restricted to any one form of industry.

We give below the principal figures for this branch of insurance since the coming into force of the law of 1895 ; that is to say since 1898 :

TABLE III. — *Progress of Compulsory Workmen's Insurance in Finland from 1898 to 1913.*

Year	Number of Businesses Employing Workmen	Number of Workmen Occupied in the Year	Total Real Wages of Workmen in Finnish Marks	Total Reduced (1) Wages of Workmen in Finnish Marks	Employers' Expenses in Finnish Marks				
					Premiums	Claims Paid Directly	Total	Per Workman	Per Workman per cent of Average Wages
1898	1,394	69,001	50,000,000	40,000,000	647,992	20,008	668,000	14.89	1.34
1899	1,862	67,074	48,633,416	39,916,651	651,241	91,550	742,791	11.07	1.53
1900	1,820	67,649	51,971,936	41,529,106	645,541	96,647	742,188	10.97	1.43
1901	1,883	61,253	47,542,914	38,037,405	584,258	91,375	675,633	11.19	1.42
1902	1,963	58,753	51,201,328	40,089,297	598,543	91,613	690,156	11.74	1.35
1903	2,384	60,428	54,235,778	43,255,475	681,311	91,625	772,936	11.64	1.43
1904	2,469	71,598	59,963,337	49,103,207	711,973	81,737	793,710	11.20	1.32
1905	2,468	73,436	63,274,453	54,728,600	696,544	82,942	779,486	10.62	1.23
1906	2,707	79,991	69,896,323	59,196,278	757,053	110,500	867,553	10.85	1.24
1907	2,921	92,182	86,304,160	74,251,293	997,084	118,600	1,115,684	12.11	1.29
1908	3,003	93,694	89,370,576	73,267,360	1,079,841	114,400	1,194,241	12.75	1.34
1909	3,290	100,688	92,845,645	77,242,145	1,051,000	100,700	1,151,700	11.44	1.24
1910	3,199	100,296	93,949,203	75,307,312	1,034,997	128,200	1,163,197	11.60	1.24
1911	3,625	107,880	104,787,687	81,301,513	1,221,369	135,200	13,556,569	12.56	1.29
1912	4,210	123,282	112,164,807	88,571,937	1,285,525	141,800	1,427,325	11.58	1.27
1913	4,448	133,536	123,306,749	96,550,346	1,427,744	164,300	1,592,744	11.92	1.29

(1) That is to say, portion of wages considered for the purposes of insurance.

In 1913 the figures for the insurance work were as follows for the various classes of Society :

	Businesses	Labourers	Premiums
			Marks
Finnish Mutual Societies	1,885	71,454	766,187
Finnish Societies Limited by Shares	2,535	60,781	636,936
Russian and Foreign Societies	28	1,301	24,621
Total . . .	4,448	133,536	1,427,744

To obtain an accurate idea of the expenditure the employers have to support in accordance with the provisions of the law, the total amount of the premiums given above must be increased by that of the claims of temporary nature, paid immediately by the employers, without the intervention of the insurance societies. We have no accurate statistics of these, but we may approximately estimate this additional sum at 164,300 Finnish marks. The total expenditure for insurance would then be 1,592,000 Finnish marks and the total amount of the legal liability of the masters would then be 1.29 % of the total amount of the wages really paid to the labourers.

Let us now consider the claims paid by the accident insurance societies in 1913. We show the amount in the following table, giving under the heading " claims paid once for all, " the total amount paid according to the provisions of the law in capital sums instead of in annuities. The law in fact authorises the commutation of annuities of less than 20 marks in this way, on condition, however, that the claimant expresses himself satisfied with the capital sum offered by the insurance society. Under the heading annuities we show the annual amount for which annuity policies have been issued.

Classes of Claims	Workmen Compensated	Finnish Marks
Compensations of temporary character (less than 120 days)	3,408	195,271
Compensations for periods of more than 120 days	321	30,347
» paid in capital sums	491	86,810
» paid in annuities.	4,491	452,098
Total. . . .		764,616

The annuities being paid in December, 1913 were as follows:

To Invalids	3,564	pensions of	347,942	marks in all
» Widows	395	» »	55,574	» »
» Children.	556	» »	36,056	» »
		Total . . .	439,572	» »

The average annuity awarded in Finnish marks was in various years as under :

Years	Invalids	Widows	Children
1900	86.53	139.15	61.11
1905	94.81	137.86	62.09
1910	95.22	139.61	64.29
1911	97.01	140.37	65.56
1912	96.72	140.97	65.97
1913	97.64	140.69	64.85

§ 3. Fire insurance.

Fire risks are undertaken in Finland both by societies limited by shares and by mutual societies. On December 31st., 1913, there were 12 of the former, four of them Finnish societies (1). five Swedish, and three British. The Mutual Societies, all, without exception, national, were divided into two classes for the purposes of the official statistics, that is to say: the "large" mutual societies the sphere of action of which extends over the whole country, or at least beyond one province, and the "small" mutual district or parochial societies, the sphere of which is limited, if not strictly to the territory indicated in their title, at least to an area not exceeding the limits of a province.

Fire risks are further undertaken, by certain Russian companies limited by shares, but, for reasons indicated in our opening paragraphs, the official Finnish statistical returns on which this article is based, were in no position to give more than an approximate account of their work.

The general progress between 1897 and 1914, the total amount asssured and its distribution among the classes of fire insurance societies in Finland are seen in the following table, where the total amount is shown in Finnish marks as it was on the 31st. of December of the different years.

(1) "Fennia", "Pohjola", and "Imatra" at Helsingfors and "Vellamo" at Vasa.

TABLE IV. — *Progress, Amount and Distribution of Fire Insurance in Finland between* 1907 *and* 1914 (in Finnish marks).

	1897	1900	1905	1910	1912	1913
Large Mutual Societies.	539,256,206	659,952,105	1,087,648,105	1,618,884,087	1,799,410,019	1,931,195,924
Small » » .	352,511,270	436,737,520	569,006,331	778,737,748	929,163,142	990,000,000
Finnish Companies Limited by Shares. . . .	261,365,311	395,246,061	385,769,915	598,582,310	728,090,271	788,755,054
Foreign Companies Limited by Shares	190,697,825	248,403,933	219,171,739	269,796,891	266,588,456	261,000,000
Russian (approximate figures)	160,000,000	170,000,000	160,000,000	245,000,000	250,000,000	260,000,000
Total . . .	1 503,830,612	1,910,339.619	2,421,596,090	3,511,001,036	3,973,251,888	4,230,950,978

The above table shows that the proportion of each of the above classes of societies in the total was as follows :

Large Mutual Societies	45.65 %
Small » »	23.40 %
Finnish Companies Limited by Shares	18.67 %
Russian » » » »	6.14 %
Foreign » » » »	6.14 %
	100.00

Here again the same phenomenon is observable as in the field of life insurance, that is the " nationalisation " of this class of business. The progress of this nationalisation in respect to the societies limited by shares has been as follows :

	Total Amount Assured in Marks (1)	Finnish Societies	Foreign Societies
1892	334,700,000	40 %	60 %
1895	395,300,000	55 »	45 »
1900	643,600,000	61 »	39 »
1905	604,900,000	64 »	36 »
1910	868,400,000	69 »	31 »
1911	922,000,000	70 »	30 »
1912	994,700,000	73 »	27 »
1913	1,036,100,000		

(1) In round numbers.

We shall give now some quite general information in regard to the total business done by the various fire insurance societies in Finland in 1913.

As regards the societies limited by shares, whether Finnish or foreign, without deducting the proportion of the reinsurers, the total amounts of premiums collected and claims paid were as follows :

	Premiums (Finnish Marks)	Claims Finnish Marks
Finnish Societies.	2,988,747	1,906,993
Foreign »	963,606	589,060
Total . . .	3.952,351	2.496,053

The losses here represent not less than 63.2 % of the total amount of the premiums, a quite exceptional percentage due to circumstances it would take too long to mention here. Let us limit ourselves to stating that in the last ten years the average amount of the losses was only 50 % of the total amount of the premiums.

The working expenses of the Finnish societies limited by shares amounted in the same year to 367,773 marks or 12.3 % of the amount of the premiums collected and about 36 centimes per 1,000 frs. of assured capital.

As regards the large mutual societies, the amounts assured by them at the end of 1913 came altogether to 1,931,195,924 Finnish marks, an increase of 131,785,905 mks. on the previous year. The premiums collected by the societies amounted to 4,954,402 mks. and the claims paid to 3,973,679 mks. Though considerably higher than the average, the claims paid by these societies have been proportionally less than those paid by the societies limited by shares. The working expenses, finally, of the eighteen societies included in this class amounted to 863,649 marks.

Let us now consider those fire insurance societies, which, on account of their almost exclusively rural character, have the greatest interest for us, that is to say the small district or communal mutual societies.

On January 1st., 1913, there were in all Finland 284 societies of this class, 11 of them in the Province of Nyland, 42 in that of Åbo, 10 in that of Tavastehus, 50 in that of Viborg, 23 in that of S. Michael, 30 in that of Kuopio, 73 in that of Vasa, and, finally, 35 in that of Uleåborg.

The total amount of the policies issued by these 284 mutual societies was (1) :

at the end of 1911.	870,930,044	Finnish marks
» » » 1912.	929.163.142	»

(1) The most recent statistics as yet published regarding the small mutual fire insurance societies are those for 1912.

The amount of the policies issued by the mutual district or communal societies formed the following proportion of the total amount of the fire insurance policies in Finland.

1897	1900	1905	1910	1912
23.4 %	22.9 %	23.5 %	22.2 %	23.4 %

Of the total amount assured in these societies, 68.3 % represents real estate, and 31.7 % personal estate and stock.

On January 1st., 1913 the total number of insurance policies issued by these societies was 307,703 or 13,498 more than in the preceding year. Dividing the total amount of the policies by their number, we obtain as the average value of the policies issued by the small mutual societies the amount of 3,020 marks, which alone shows that it is really the small farmers and the peasants who principally insure with these societies.

In 1912, the total number of losses compensated by these societies was 1,762 and the total amount of the claims corresponding was 1,134,460 marks, or an average of 643.28 marks per claim. The claims for real estate appeared as 812,314 marks or 71.6 % of the total, those for personal estate as 322,146 marks or 28.4 % of the total.

The considerable progress made in rural buildings, and the adoption of precautionary measures under the influence of the very active propaganda of the insurance societies is shown in the following table, in which the annual number of fires is given, and the amount of loss resulting per million of Finnish marks of the average amount of all the policies issued in the year.

TABLE V. — *Number of Fires and Amount of Damage per Million of Marks of the Average Amount of Insurance Policies Issued by the Small Mutual Societies.*

Years	Fires	Damage	Years	Fires	Damage
1897 . . .	1,220	3.7	1905 . . .	1,449	2.7
1898 . . .	1,165	3.3	1906 . . .	1,512	2.6
1899 . . .	1,247	3.2	1907 . . .	1,345	2.2
1900 . . .	1,282	3.1	1908 . . .	1,680	2.6
1901 . . .	1,480	3.4	1909 . . .	1,547	2.2
1902 . . .	1,414	3.0	1910 . . .	1,560	2.07
1903 . . .	1,304	2.7	1911 . . .	1,625	1.97
1904 . . .	1,435	2.8	1912 . . .	1,762	1.96

In 1912 the number of claims paid per thousand policies was 5.7. The causes of the fires in the year were as follows :

In 138 cases, or 7.8 % of the total, natural causes (lightning, spontaneous combustion etc.) ;
» 342 » » 19.4 » » » defects in construction ;
» 413 » » 23.4 » » » negligence ;
» 47 » » 2.7 » » » crime ;
» 169 » » 9.6 » » » various other causes ;
» 653 » » 37.1 » » » causes unknown or uncertain.

In 1912 the average amount of loss per 1,000 marks was 1.26 marks. In previous years the proportion had been :

In 1897	1898	1899	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911
1.62	1.27	1.30	1.28	1.59	1.31	1.09	1.31	1.26	1.28	1.11	1.34	1.06	1.36	1.28

The working expenses in the small mutual societies only amounted to 0.22 m. per 1,000 m. of the capital assured, a considerably smaller proportion than in the case of the large mutual societies and the companies limited by shares. The small expense is largely due to the fact that to a very considerable extent the management of the district or communal societies is in the hands of officers elected by the commune, who receive no special remuneration for their work. Besides, in the case of these societies, the compensation fixed by the experts is most frequently paid directly by the party concerned and consequently does not figure in the society's accounts.

To give the reader an idea of the comparative importance and the progress made by the small mutual fire insurance societies in Finland, we classify these societies below according to the amount of their policies.

TABLE VI. — *Small Mutual Societies, according to the Amount of the Policies issued by them on the 31st. December of Various Years.*

Policies	Number of Societies in				
	1896	1900	1905	1910	1912
Less than 500,000 Finnish Marks	60	53	41	24	13
Between 500,000 and 1,000,000 Finnish Marks .	80	73	65	51	38
» 1,000,000 » 2,000,000 » » . .	71	83	85	68	67
» 2,000,000 » 5,000,000 » » . .	34	61	81	116	122
» 5,000,000 » 10,000,000 » » . .	5	5	10	22	34
More than 10,000,000 . . . . . » » . .	2	3	4	6	20
Total . . .	252	278	286	287	284

As we see the average amount of the policies has increased in these sixteen years and there has been a very appreciable increase in the groups with larger amounts of policies. During the same period, the average amount assured has increased from 1,306,000 Finnish marks per society to 3,272,000 marks. In spite of this very considerable progress, it is none the less certain that a large number of these societies must be considered as far from solid.

§ 4. Livestock insurance.

In one of our preceding numbers we have already dealt with the beginnings of livestock insurance in Finland, as well as with its organisation and development up to about 1911 (1). We may, therefore, now confine our observations to the changes that have occurred since then.

Now as then, livestock risks are undertaken by two different classes of societies, both exclusively national and mutual, the "large" mutual societies extending their action at least to an entire province, and the "small" local societies generally working in a group of a few neighbouring communes.

Of the large societies, there were on December 31st., 1913, altogether four, the same as in 1911. Three of them were provincial societies, the fourth extended its action, on the contrary, throughout the whole country.

The increase in their business was as follows :

	Number of Horses Insured	Amount Assured on Horses	Head of Horned Cattle Insured	Amount Assured on Horned Cattle	Total Amount Assured
	—	—	—	—	—
On December 31st.. 1911	27,188	11,278,181	17,428	2,599,351	13,877,942
» » » 1914	28,261	11,317,938	17,585	2,617,825	13,935,573

On December 31st., 1914, of the horned cattle, 7,817 or 44.5 % were insured individually, and 9,768 or 55.5 % collectively. The corresponding amounts assured were 1,087,685 and 1,530,140 Finnish Marks. The following figures show the work of the large mutual societies in 1913 :

Premiums Received for Horses	295,835	marks
» » » Horned Cattle . .	45,139	»
Payments to Reserve Fund	24,222	»
Claims Paid for 836 Horses.	214,966	» (3 % of Total Livestock Insured).
» » » 281 Head of Horned Cattle	29,347	» (1.2 % » » »
Working Expenses and Commission . . .	119,914	»

(1) See the Article "Livestock Insurance in Finland", in the number of this *Bulletin* for May, 1913.

In other words, the claims paid for horses amounted to 1.9 marks and those for horned cattle to 1.13 mks. on an average per 100 mks. assured. The average claim paid was 257.14 mks. per horse and 104.44 mks. per head of horned cattle.

At the end of 1912 there were altogether 111 small mutual livestock insurance societies, 30 of them only insuring horses, 4 only horned cattle, and 77 insuring both classes of livestock (1).

At that date, the general position of this class of societies was as follows :

Horses	32,634	insured for a total amount of	11,157,366 Finnish Mks'
Horned Cattle	38,293	» » » » » »	4,023,928 » »
Small Livestock		» » » » » »	21,065 » »
		Total . . .	15,202,359 **Finnish Mks.**

The comparative importance and the progress made from year to year by the small local societies will be seen in the following table, in which the figures indicate the number of societies belonging to each group.

TABLE VII. — *Progress and Distribution of the Small Livestock Insurance Societies in Finland according to the Amount of their Policies.*

Years	Amount of Policies									
	Less than 50,000 Marks		Between 50,000 and 100,000 Marks		Between 100,000 and 200,000 Marks		Between 200,000 and 500,000 Marks		500,000 Marks and more	
	Number	%	Number	%	Number	%	Number	%	Number	%
1905 . . .	10	17.9	13	23.2	19	33.9	11	19.6	3	5.4
1906 . . .	18	23.7	17	22.4	27	35.5	12	15.8	2	2.6
1907 . . .	14	17.5	19	23.8	32	40.0	13	16.2	2	2.5
1908 . . .	16	18.8	17	20.0	31	36.5	19	22.4	2	2.3
1909 . . .	16	17.5	17	18.7	35	38.5	20	22.0	3	3.3
1910 . . .	22	22.0	22	22.0	30	30.0	23	23.0	3	3.0
1911 . . .	22	21.0	25	23.8	35	33.3	20	19.0	3	2.9
1912 . . .	25	22.5	27	24.3	57	33.4	19	17.1	3	2.7

The number of accidents per cent of the total number of head of livestock insured was 2.21 % for horses and 1.52 % for horned cattle.

The claims paid amounted in the case of horses to 1.37 % and in that of horned cattle to 1.06 % of the value assured. The average claim paid per horse was 214.05 mks. and per head of horned cattle 71.08 marks.

(1) For the small societies the most recent statistics published are those for 1912.

The premiums collected by the local mutual societies in 1912 were as follows:

	Finnish Mks.
Horse Insurance	100,036.21
Horned Cattle Insurance	26,733.67
Contributions to the Reserve Fund	4,662.59
General Contributions of Members	96,352.65
Total	227,785.12

This total is 1.51 % of the average amount assured for the year. Other receipts, interest etc. brought in 14,457 marks to the societies. The total revenue was, therefore, 242,242 mks. or 1.61 % of the average amount assured.

The expenditure was as follows:

Claims Paid	194,402 mks.	(1.29 % of the amount assured)
Working Expenses	24,099 »	(0.16 % » » »)
Reserve Fund	7,912 »	(0,05 % » » »)
Other Expenditure	16,124 »	(0.11 % » » »)
Total	212.537 mks.	(1.61 % of the amount assured)

Altogether we find that the year closed with a general loss of 295 Finnish marks, an absolutely insignificant amount, we may say, but indicating all the same that the general situation of the small mutual livestock insurance societies is far from prosperous. And, indeed, the statistics for former years only confirm this conclusion. Means are now being studied to improve the financial position of these insurance institutions, which are of the greatest importance for the economic progress of rural Finland.

MISCELLANEOUS INFORMATION RELATING TO INSURANCE AND THRIFT IN VARIOUS COUNTRIES.

BULGARIA.

INSURANCE OF AGRICULTURAL PRODUCE AGAINST HAIL. — The Central Co-operative Bank of Bulgaria (1) has a special section for the insurance of agricultural produce against hail (2). The utility of this institution is undeniable and it has been of great benefit to the national economy. The work of the Bank in this department is not characterized, as in the other departments, by the two distinct principles, harmony between which is the first condition for the regular working and prosperity of every credit institute, that is to say of rendering the greatest services to the national economy and deriving therefrom a suitable profit. And indeed, since its foundation, in 1911, up to the present, the bank has made no profit out of the insurance department, as in granting claims it has always considered the interest of the insured. In view of the importance of this special work of the Bank, we reproduce the following information from the report for the year 1914.

The number of policy holders which was 25,026 in 1913 amounted to 30,316 in 1914. The amount assured, however, decreased slightly : from 39,326,400 frs. to 37,101,420 frs. This decrease is closely connected with the loss of Dobrudja, as in 1913 a total amount of 11,000,000 frs. in round numbers was assured for that province. The insurance of agricultural produce will be introduced in the new territories in the course of the year. The largest number of policy holders is reported for the district of Plevna, where there are 5,382 ; the smallest for that of Kustendil, 180. The amount assured in the Plevna district was 6,808,300 frs. and that assured in the Kustendil district only 135,890 frs. If the rich Dobrudja had not been lost, the amount assured this year, instead of 37,101,420 frs., would have been 50,000,000 frs. In comparison with 1913, the total value assured has only decreased in the district of Bourgas. The cause of the decrease here, amounting to about 400,000 frs. was the destruction of many vineyards attacked by phylloxera.

(1) See the article on the " Central Co-operative Bank of Bulgaria " in the number of this Bulletin for February, 1912.

(2) See the article on the " New Legislation on Agricultural Insurance and the Foundation of a State Institution ". (§ 3. Law on the Insurance of Agricultural Products against Hail) in the number of this Bulletin for October, 1911.

Let us see how the amount assured was distributed among the principal crops :

	frs.
Wheat	18,633,490
Vines	8,243,190
Maize	2,810,950
Rye	2,782,740
Oats	1,128,970
Barley	1,063,460

The area of the farms insured was 11,831,904 ares. Most of these farms are private property. Government institutes had only taken out 11 policies for an amount of 36,320 frs. Agricultural co-operative societies took out 15 polices for an amount of 538,750 frs.

In 1914 hail fell frequently in abundance and 441 communes or more than a third of those insured suffered severely. Claims to the amount of 1,623,960 frs. were paid to 6,292 persons in 1914 ; whilst in 1913 only 754,199 frs. were paid. Thus the amount of the claims paid in 1914 was more than twice that paid in the preceding year. The average claim paid per member insured was, in 1914, 258.10 fr. as against 217.82 fr. in 1913. For the first time since its foundation has this department of the Bank suffered such heavy losses, which not only could not be covered by the premiums collected, amounting to 1,881.513 frs., but swallowed up almost entirely the subvention of 600,000 frs. granted by the State. The area that suffered by hail was 870.850 ares against 472,359 ares in 1913. The premiums collected for vineyard insurance were insufficient to pay the claims for vineyards damaged.

The situation due to the European war prevents the regular collection of the premiums, so that the Board of Management has contracted a loan with the credit department of the bank, so as to be able to pay the claims when due. This loan will be gradually repaid as the insurance premiums for 1914 are collected.

(Summarised from the *Echo de Bulgarie* of May 11th., 1915).

CANADA.

THE SASKATCHEWAN HAIL INSURANCE COMMISSION. — In 1912 the Saskatchewan Legislature passed an act for the introduction of a system of hail insurance throughout the Province, and for the creation of a Commission to administer the system introduced. Acceptance of the provisions of the Act is optional upon the part of rural municipalities, in each of which the proposal to adopt the Act must be submitted to the vote of

the ratepayers. When the Act has been adopted, however, all land within the boundaries of the rural municipality concerned comes within the operation of the insurance scheme and is compulsorily assessed. The amount of the assessment is fixed at four cents per acre and the amount of the indemnity is limited to five dollars per acre. The original proposal was for a tax of one and a half cents and an indemnity of six dollars.

Early in 1913 the proposal to adopt the Act was submitted to the ratepayers in 154 rural municipalities, and in 115 of these the proposal was approved. A Commission was appointed consisting of three members, of whom one was appointed by the Lieutenant Governor and two were elected by the representatives of the municipalities which had accepted the scheme.

The first report of the Hail Commission was presented on March 3rd., 1914, and showed that during the year ending February 28th., 1914, the amount actually paid in claims was $625,488 as against a total of $485,343 paid in hail insurance claims by all the ordinary commercial companies, sixteen in number, doing business in Saskatchewan. The total number of claims was 5,300 and the area damaged, to which individual claims related, varied from a few acres up to 2,000 acres. Many of the claims were still unpaid at the end of the year, as the Commission had no funds in hand with which to meet them, owing to the fact that a considerable number of the rural municipalities had still to pay over to the Commission either the whole or a part of the tax of four cents per acre levied for the purpose of insurance. The yield of the tax should have been paid over before October 1st., but on that date a considerable amount was still outstanding.

An amendment to the Act now provides that municipalities in arrears with their payments to the Commission may be fined. Such a provision was certainly necessary, for the Hail Commission began the second year of its activity with unpaid claims on hand amounting to $126,472 and with only $7 in cash in the bank.

In the second year, ending February 28th., 1915, the number of rural municipalities under the provisions of the Act was 126, which was 11 more than in the first year. The net revenue of the insurance rate levied in these municipalities was $856,994. The Hail Commission, armed with the power of penalising defaulting municipalities, was able to get sufficient funds in hand and to begin paying claims fully a month earlier than in 1913.

The number of claims presented in 1914 was 3,568 a figure which compares very favourably with the first year's total of 5,300 claims. The net result of the second year's working was that the claims outstanding at the beginning of the year were all duly paid, as well as all claims arising during the year—the latter amounting to $511,932. The cost of administering the Act showed a very slight relative increase, rising from 3.26 per cent. of the total revenue in 1913, to 3.36 per cent. in 1914.

The third year of the working of the scheme began with 127 rural municipalities under the operation of the Act.

FRANCE.

THE APPLICATION OF THE PRINCIPLE OF PROFESSIONAL RISKS TO FORESTRY ENTERPRISE. — On the 1st. of next September, the law of July 15th., 1914, extending the provisions of the law of April 9th., 1898 on accidents in work to forestry undertakings will come into force. In this connection, a decree and executive regulations were issued on May 27th., 1915, the principal object being to establish the forms on which the victims of accidents, their representatives or heirs must report to the head of the undertaking, when the place in which the accident is not in the commune in which he lives. The use of these forms, however, is not compulsory, but they are placed at the disposal of those concerned in all municipal offices, so as to facilitate the accomplishment of the formalities required by the law. They are so made out that, when duly filled in, they may give the contractors all the information they require in regard to the circumstances of the accident, so as to enable them to estimate the probable consequences and to make their report, after having ascertained the facts.

The executive regulations aim at establishing the rules according to which the wages of the farm labourers in each department shall be fixed, in order that they may serve as the basis for the calculation of the compensation due to labourers' victims of accidents in forestry work or their heirs, when the victim was not paid by the head of the enterprise or had no fixed wages.

The wages shall be fixed for each department by the prefect after consultation with the mixed commission appointed in accordance with the first article of the decree and the results obtained by means of administrative enquiries from masters' and labourers, syndicates, the superintendent of agricultural services and other competent persons.

GREAT BRITAIN AND IRELAND.

1. — THE AGRICULTURAL AND GENERAL CO-OPERATIVE INSURANCE SOCIETY. — This society was formed in 1908 in order to secure for its policy-holders any profits which may be made on their insurances. Its business is practically confined to members of co-operative societies who are recommended by the societies to which they belong and the so-called "moral" risk is thus largely eliminated. The Society has, therefore, a somewhat greater immunity from claims than ordinary proprietory companies.

Prior to the Society undertaking any business a fund of £20,000 was subscribed, principally by the Directors and their friends, in order that the earlier policy-holders might be fully protected. Further, re-insurance contracts were entered into by the Society, whereby its total liability in any one loss was strictly limited. The original fund has been largely augmented by the issue of shares and by reserves, etc., created out of the profits, all of which are wholly the property of the individual members of the Society.

At the end of each year of insurance, the societies accounts are audited and if, after paying all claims and expenses, a sufficient surplus is disclosed, a bonus is then declared, which is allocated amongst the members in proportion to the premium which each one has paid the Society. That the scheme has prospered is shown by the following figures :

Year	Net Premiums £	Net Losses £	Rate of Bonus Declared
1909	1,182	74	25 per cent.
1910	2,141	683	25 » »
1911	2,969	587	35 » »
1912	4,165	1,010	30 » »
1913	5,931	3,691	Nil.
1914	6,506	2,963	15 per cent.

The year 1913 was remarkable for the number of farm fires which occurred, and, although the society could have declared a modest bonus, it was thought prudent to forego any distribution of bonus in respect of that year.

Of every pound sterling paid by the members in premiums it is calculated that 9 shillings go to the payment of claims ; 3 shillings as commission to the societies who recommend the policy-holder ; 3 shillings in working expenses of the Insurance Society ; 3 shillings to the payment of bonus and the remaining 2 shillings go to the payment of interest on shares or to the formation of some fund which is wholly for the benefit of the members.

(From *Co-operation in Agriculture*, No. 6, June 1915).

* * *

2. — CATTLE AND PIG INSURANCE SOCIETIES. — In a recent issue we reproduced some statistics which had been specially compiled for the

Journal of the Board of Agriculture, concerning the work of mutal pig-insurance societies in England and Wales in 1911, 1912 and 1913 (1). These figures related both to registered and to unregistered pig insurance societies. In the *Board of Trade Labour Gazette* of May appear some statistics for the years 1909 to 1913, which relate only to registered societies, but embrace cattle insurance societies as well as pig insurance societies. The statistics are as follows:

	1909	1910	1911	1912	1913
Number of Societies making Returns	57	58	58	61	63
Total Membership	3,574	3 625	3,600	3,596	3,531
Receipts:	£	£	£	£	£
Contributions	1,761	1,835	1,809	1,822	1,883
Other Receipts	405	507	453	472	491
Total Receipts	2,256	2,342	2,262	2,294	2,374
Expenditure:					
Benefits to Members	1,908	1,751	1,924	1,815	1,784
Working Expenses	387	388	257	290	285
Total Expenditure	2,295	2,139	2,181	2,105	2,069
Total Funds at End of year	7,671	8,105	8,112	8,344	8,610

The *registered* pig and cattle societies, however, constitute only a small minority of the total number of such societies; there were about 1,200 unregistered pig and cattle societies in England alone.

SWITZERLAND.

HAIL INSURANCE IN SWITZERLAND IN 1914. — It is well known what importance many of the Swiss Cantons give to the subject of the insurance of crops against hail. Up to the end of 19 4 the Confederation charged itself with half of the expenditure supported by the Cantons, independently of the cantonal subsidy. The financial situation of the Confederation may, however, very probably force it to consider whether it will not be advisable to make some changes in regard to the principles on which hail insurance subventions are granted, so as to economise also in this department.

(1) " The Recent Development of Mutual Pig Insurance in England and Wales," *Bulletin of Economic and Social Intelligence*, April 1915.

The Federal Agricultural Department has already taken some action in this sense, deciding provisionally that in and after 1915 the subsidies shall not exceed 50 % of the policy expenses, 20 % of the premiums for insurance of vineyards and 12.5 % of those for insurance of other crops.

In 1914 the federal subsidy for the encouragement of hail insurance amounted to 261,458 fr. The Confederation and the Cantons spent altogether 522,917 fr.; in premiumus 389,882 frs. and in policies 138,034 frs. The amount assured in Switzerland in 1914 was 81,356,404 frs. and the number of policies was 16,661.

Of the 25 States of the Confederation, 21 place on their estimates of expenditure an amount for the encouragement of hail insurance. The Cantons of Uri, Glarus, Grisons and Ticino make no sacrificas for this object. It must, however, be remembered that in the Cantons of Uri, Glarus and Grisons hail storms are exceedingly rare and the risks in these cantons of herbaceous crops are of little importance.

The Canton that spends most on this insurance in proportion to its population is Geneva, 3,845 frs. per 1,000 persons engaged in agriculture. Next comes the small Canton of Zug, spending altogether 6,000 frs. or 1,342.86 frs. per 1,000 of the agricultural population. For this Canton alone 956 policies are reported and an assured amount of 2,319,350 fr.

After Zug comes Neuchâtel with, 1,275 policies and assured value of 1,622,094 fr.

Then there follow closely the Cantons of Schaffhausen, Appenzell E., Lucerne, Aargau and Basle Country. Schaffhausen spends about 700 fr. per 1,000 of the agricultural population; in 1914 2,365 policies were reported for an assured amount of 1,999,720 frs. Appenzell E. spends about 600 fr. per 1,000 farmers and reported 800 policies for an assured amount of more than 1,100,000 frs. Lucerne also spends about 600 fr. per 1,000 of the farming population, and reports about 6,000 policies with an assured amount of 13,500,000 frs. This Canton received from the Confederation in 1914 a subsidy of 27,211.38 fr. Aargau spends about 500 frs. per 1,000 farmers, and showed 12,000 policies and assured value of 7,180,000 frs. Basle Country also spends about half a franc per member of the agricultural population. Then follow the Cantons of Schwyz, Nidwalden and Vaud, in which the expenditure is between 400 and 470 frs. per 1,000 inhabitants. Vaud showed 4,028 policies and about 7,000,000 frs. capital assured. The Federal subsidy received by this Canton in 1914 was 34,470 frs.

Next come Zurich, Thurgau, Berne and, at a little distance, Basle City and St. Gall. Zurich showed 5,198 policies, Thurgau 3,622, Berne 14,335, Basle City 43 and St Gall 5,360. The values assured were respectively 5,151,040 frs.; 2,970,450 frs.; 20,603,830 frs.; 112,070 frs.; and 4,400,800 frs.

The Cantons of Obwalden, Fribourg, Appenzell Int. and Valais spend less in proportion to the farming population.

(Summarised from an article in *Agricoltore Ticinese*, Year XLVII, No. 25, Locarno, June 19th., 1915).

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO INSURANCE AND THRIFT.

SPAIN.

ASENSIO BOURGON (RAMÓN): LOS SEGUROS Y LA PREVISIÓN EN ESPAÑA. (*Insurance and Thrift in Spain*). Lecture Delivered at the 3rd. International Congress of Commercial Expansion, Barcelona, 1914. "Anales del Instituto Nacional de Previsión", Year VI, No. 22, December, 1914, pp. 297-318.

The lecturer divides the study of the questions with which he deals into two parts. In the first, he considers the situation of insurance and thrift in Spain up to 1908, and in the second from that year up to the present moment. This division is in accord with the radical change that took place in 1908 in the direction given to thrift and insurance, through the foundation of the General Insurance Commission and the National Thrift Institute, which are two manifestations of State intervention in this aspect of social life.

The author devotes special attention to the situation of the various branches of insurance, giving interesting statistical tables, but it is to be regretted that he has not devoted a special chapter to agricultural insurance.

In respect to thrift as represented by savings and the constitution of pensions and annuities, Señor Bourgon, gives an account of the work, as well as of the organisation and mode of working of some of the most important institutions such as the Madrid Pawn Institute, that of Barcelona etc.... and deals quite specially with the National Thrift Institute (1).

He ends his account with a chapter in which he states what in his opinion should be done to give instruction in insurance in Spain.

GREAT BRITAIN AND IRELAND.

ASHBY (ARTHUR W.): VILLAGE CLUBS AND ASSOCIATIONS. In the "Journal of the Royal Agricultural Society of England," Vol. 75, 1914.

The English villages in the Middle Ages, the writer of this article tells us, were filled with guilds or fraternities, religious in origin, but embracing

(1) See the numbers of this Bulletin for November-December, 1911 and May 1913, pp. 163 and 130 respectively.

in their objects the material and moral welfare of their members. For the most part, however, these organisations were swept away by the Reformation and it was not until the eighteenth century that village associations again began to be formed. The friendly societies which then arose were for mutual insurance, usually providing benefits in case of sickness or paying funeral expenses in case of death. Many of these "sick and burial clubs" were far from successful; their financial basis was unsound, they were badly managed, and disaster resulted. But in spite of failures the clubs did much useful work, and many village clubs continued to exist even after the development of the large friendly societies with numerous branches. The passing of the National Health Insurance Act in 1910 resulted in the closing of a large number of the clubs. In some cases, as in Lincolnshire, efforts have been made to preserve them by federating them with a central society.

Besides the independent village societies, a certain number of county societies were formed, with branches in the villages. They were usually established by philanthropic persons, who retained the management in their own hands. Thus, although they had a sounder financial basis and were better managed, they did not give the villagers the same training in business and mutual action as the village club. The large orders, such as the "Foresters", the "Oddfellows," etc., have branches in many villages, and these usually have more autonomy than the branches of the county societies.

Other kinds of benefit society are also to be found in the villages. During the last quarter of the 19th. century, "tontines" were common in the villages of the southern and eastern countries. These societies take regular subscriptions from their members, and make periodical divisions of part of their funds, retaining the remainder for future division amongst surviving members.

The writer of the article also describes the various forms of mutual live-stock insurance society to be found in English villages, as well as the not very numerous credit societies and live-stock improvement societies. He also notes the local horticultural societies which, by organising flower and vegetable shows, have done so much to stimulate improvement in the cultivation of gardens and allotments.

Part III: Credit

GERMANY.

MEASURES TAKEN OR PROPOSED BY THE PRUSSIAN LANDSCHAFTEN FOR THE EXTENSION OF THEIR MORTGAGE CREDIT TO PEASANT HOLDINGS.

by Dr. R. Leweck,

Premier General Syndic of the Landschaft at Koenigsberg in Prussia (East Prussian Landschaft).

§ 1. General remarks.

It has already been said, in the number of this Bulletin for February, 1914, that the most important task the Prussian Landschaften have now to accomplish is the *conversion* of all the mortgage debts of the small farmers, from *debts to private individuals*, as they now are for the most part, into debts secured on *lettres de gages* (bonds). This was not originally included in the system of agricultural credit. The five older Landschaften, that of Silesia, the Credit Institute for the Nobles' Estates of Kurmark and Neumark and the Landschaften of Pomerania, West and East Prussia were only intended to meet the requirements of the nobles and the large landed proprietors. Not only, the peasants, but even the small independent holders (*Köllmer*) were excluded, on principle, from the Landschaften. This was not only on account of the limited ownership of the peasants, but it was also, above all in the case of the small independent landholders (*Köllmer*), whose possession was as free and unrestricted as that of the nobles, a consequence of the political power of the latter. And if at a later date the Landschaften were opened to the peasants, this was done not only for reasons of law and administrative technique, but also for political reasons.

Up to 1848 no Landschaft, except that of East Prussia, had contemplated the admission of landholders who were not noble. (1). But even in East Prussia the admission of the small independent landholders (*Köllmer*) in 1808 only opened the institution to an insignificant proportion of the landholders not belonging to the nobility. The peasants were still excluded, even those on the domains, who, however, after 1808, were the absolute proprietors of their farms. Two events led to the admission of peasants as members of the Landschaften and the foundation of similar institutes for the peasant landholders. The first condition necessary was the abolition of the restrictions in regard to the contraction of debts on the regulated peasants' holdings, introduced in 1811. This condition was fulfilled when on December 29th., 1843, these restrictions were abrogated. Then a complete change of tendency in the land policy of the Prussian State was necessary. It had been inspired in the early part of the nineteenth century by the prevailing opinion of the time, that "it was better for the small landholders not to obtain credit on their land." The change came about as a consequence of the gradual regulation of the relations of the peasants with their landlords, the improved economic conditions of the peasants, and the individualism introduced into the national economy in accordance with the political ideas of the year 1848. Thus, the political agitation of 1848 was one of the causes of the organisation of credit for peasant landholders.

The Landschaften extended their credit to peasant landholders in various ways. In East Prussia and Posen the peasants became members of the Landschaft itself; in Silesia, Brandenburg, Pomerania and West Prussia special associations were formed working in co-operation with the nobles' Landschaften; in Silesia the association was a section of the Institute for the nobles' estates, in the three other provinces independent corporations were formed. The Schleswig-Holstein Landschaft, founded in 1895, extended its business in 1907 to include credit to peasant holders, and the "landschaftlicher Kreditverband," founded in 1882 for the province of Schleswig-Holstein, was at first intended almost exclusively for the benefit of the peasant landholders. The first Landschaft to grant credit to peasants was that of East Prussia, (2) in accordance with the order of May 4th., 1849 approving the resolution of the National Diet of October 9th., 1847. It was followed by the Landschaft of Silesia, in accordance with a rule of May 11th., 1849 and afterwards by the other Landschaften.

First of all the Landschaften extended their credit to the peasants holdings on the same system as that instituted for the nobles' estates, without any new organisation taking account of the special character of

(1) MAUER: Das landschaftliche Kreditswesen Preussens. Strassburg, 1907. pp. 105 et seqq.

(2) I must vindicate the claim of the East Prussian Landschaft to this merit, against that made by Gœrtz for the Silesian Landschaft in "Die Verfassung und Verwaltung der Schlesischen Landschaft," 4th. edition, p. 168, without wishing to detract from the honour of the Silesian Landschaft as the oldest, and in many respects the model Landschaft.

peasant land. This special character is due partly to causes of a personal nature and partly to the different nature of the peasants' farms and the large farms. While, on the one hand, the extension of the Landschaften's land credit was impeded by the dulness of the peasants and their repugnance to any innovation ; on the other hand, the Landschaften generally neglected to take measures to encourage the peasants to take advantage of the land credit, by rendering the process of the grant of loans easier, facilitating access to the loan offices for the applicants for loans and adapting the rules for the valuation of holdings to the special character of peasants' farms, taking into consideration above all the relatively higher value of the buildings and the higher purchase price. Only in some individual Landschaften can we find the commencement of this specialisation of credit to peasants. But up to 1895 there was no systematic organisation of the credit granted by the Landschaften to peasants. It was the Royal Government that took the initiative in founding chambers of agriculture in accordance with the law of June 30th., 1894. "The Chamber of Agriculture", according to the official statement of the reasons for the law, "must unite the whole body of farmers in a corporation founded upon a solid and durable basis and among its duties will be the preparation and execution, in agreement with the Government, of legislative and administrative measures, with a view to the improvement of the system of land credit and the prevention of the evils of the excessive indebtedness of landed property and the injurious forms of it."

The subject of the further elaboration of the system of land credit for the peasants was then discussed in 1895 in all the provinces by the Government authorities and the parties concerned. In a conference of the general directors of the Landschaften (*General-Landschafts-Direktoren*), called by the Minister of Agriculture, the means for and the need of improving the land credit system for the peasants in the eastern provinces, that is to say in relation with the mortgage debt on peasant holdings, was also discussed. After the reporter appointed by the Agricultural Department had made his statement, and opened the meeting, the discussion was at first limited to the Eastern provinces, as the conditions in these provinces were considered to be uniform, the Landschaften were the chief agricultural land credit institutions there and the organisation of this branch of the credit system was held to be comparatively satisfactory in the western part of the kingdom. After discussion, it was agreed that the Landschaften should in the future occupy themselves more with the promotion of land credit for the small landholders and with the improvement of the institutions established, in so far as was necessary. After that many measures were adopted in all the Landschaften in the direction of organisation and administrative technique, so as to render land credit a greater benefit to the peasant holdings. First of all, the field of action of the Landschaften was everywhere formally extended, by the extension of the limits fixed for the mortgages on peasant holdings. The fundamental principle was generally accepted that it must be allowed that all holdings, on the produce of which a family lives, can be mortgaged. Afterwards also the proportions of the loans to be granted

were increased. The limit for the loans was fixed in all the Landschaften at $^2/_3$ rds. of the estimated value of the land. Then supplementary loans were more generally granted in money to make up the difference between the actual quotation and the nominal value of the *lettres de gage*. In addition to these changes in the organisation, everywhere administrative measures were adopted to ensure the small holdings the benefits of the credit granted by the Landschaften. All that has been done in this direction, I shall show when I describe the conditions of each special Landschaft. However, as far as possible to avoid repetition, I shall only indicate the details of the development of this organisation in the case of East Prussia, more especially, as it is only in the case of that province that I have all the necessary elements at my disposal. As regards the other Landschaften, in which the administrative measures adopted have substantially had the same object as those of the East Prussian Landschaft, I shall confine myself to indicating the legislative measures and the changes in organisation and the success realised by them and only devote a few words to their measures of administrative technique in so far as they present any peculiar features.

§ 2. East prussian landschaft.

After the introduction, in 1849, of land credit for peasant holdings the distinction of holdings according to their legal character, that is as noble estates, small independent holdings (*Köllmischer Besitz*) and peasants' holdings, lost its practical value, although it was maintained in so far as the general guarantee was only extended to peasant holdings when the mortgage loan was issued under the form of *lettres de gage*. In the efforts of the administration of the Landschaft to encourage the land credit granted by these institutions, the holdings were no longer considered as nobles' estates or peasants' holdings, but as large and small holdings. The designation of small holdings was given to those of an area of less than 100 ha. in the mountains and less than 50 ha. in the plain.

This was because, in district council meetings individual voting rights (*Virilstimmberechtigung*) were possessed by those representatives of the Landschaft who were owners of more than 104 and 52 ha. respectively, whilst the owners of smaller holdings only voted collectively. The smallest area of the holdings which can be mortgaged is that on the produce of which the proprietor can live, and the estimated value of which according to the principles of estimation of the Landschaft is at least 1,500 marks. Of the 10,725 holdings on which loans had been granted up to 1895, 8,166 were less than 100 ha. in area. But, on the other hand, there are in East Prussia more than 60,000 holdings which may obtain loans from the Landschaft. These belong for the most part to the class of small holdings. Consequently, the mortgaged holdings, although for the most part

small, only represent a very small proportion of the total number which can be mortgaged by the Landschaft.

The measures taken by the Landschaft for the diffusion of land credit may be examined from three different points of view.

I. — The changes introduced in the *principles of valuation* and the *regulations for the grant of loans* were in the first place of essential importance. First of all the minimum of valuation was reduced. However, this value has not been changed, because since 1849 in the East Prussian Landschaft all the rural holdings, the value of which, as estimated according to the valuation principles of the Landschaft, was less than 1,500 marks and which can be considered as independent farms, leaving out of consideration any possible supplementary revenue of the owner, may receive loans on mortgage. These conditions are, as a rule, satisfied in the good districts, that is to say in plains, by holdings of about 3 ha., in less fertile regions by those of about 5 ha., but in isolated cases the minimum value is reduced even to 2 ha., and the net yield estimated for purposes of the land tax (*Grundsteuer-reinertrag*) to 15 marks. By these provisions the conditions to be satisfied before mortgage loans are granted are already as far as possible reduced, above all if the condition is maintained that the farm must support the owner. This principle, that the produce of the farm must be sufficient to support the owner, has not yet been abandoned in East Prussia, because, if it were, the chief value of the holdings would consist in the buildings, which could not be reconciled with the character of the land credit granted by the Landschaft. Although the power of granting mortgage loans on small farms in East Prussia has not been formally extended, there has, however, really been such an extension, as in the course of years the valuations in the case of small holdings have been more favourable and sometimes even higher than in the case of large estates. In this respect, the following changes have taken place :

(1) The investment of plus values, which on the principles of valuation of June 18th., 1895 was only considered in the case of holdings of more than 100 ha. in the mountains and more than 50 ha. in the plains, in 1899 was taken into account in the case of holdings of from 50 to 100 ha., in the mountains and of from 25 to 50 ha. in the plains and in 1908 in that of all holdings in the plains of more than 5 ha. Finally, in 1900, the limit of area in respect to the consideration of the investment of plus values, was entirely abolished, so that § 21. paragraph 1. of the principles of valuation of June 18th., 1905 (1913 edition) now provides in a general sense: In specially favourable and permanent conditions the investment of the plus values allowed under § 23 may be considered.

(2) The presence of *a supply of draught livestock and breeding stock*, calculated on the basis of the area of the fields, meadows and pasture grounds of the farm to be valued, is as a rule insisted on in order that the maximum amount of the definite capital may be utilised without restriction. However, up to 1904, no account was taken of the stock of pigs. Since then the value of a pig more than six months old is considered as one tenth of that of a head of large cattle (horse, ox, cow) (§ 34 of the valuation principles

In this way the requirements above all of small holdings have been satisfied, pig improvement being a far more important source of revenue for them than for the large estates.

(3) (*a*) In the case of land cultivated as meadows situated in the first section of the plain of the Memel and placed after valuation in the first or second class of the meadows in the plains, no further deduction is made for want of *buildings or livestock*. The application of this provision was extended in 1908 to the rest of the plain of the Memel and to that of the Drausen. (*b*) The *addition for plain land*, previously allowed only in the case of fields and meadows of the 1st. and 2nd. class of holdings in the plains of the Memel and the Drausen, was allowed in 1908 in the case of pasture land of the first and second class with an increase of the maximum rate from 200 to 400 marks per ha.

The increase in the estimated value of the holdings of the plain made possible by these changes satisfies the conditions of small and very small holdings, which predominate in the lower districts and furnish, in consequence of their assured gross yield and their comparatively low working expenses, higher net yields than larger holdings.

(4) So as to include in the valuation and in the mortgage granted by the Landschaft the value of the forests and of the utilisation of the wood derived from them, which the principles of valuation of land did not take into special account, in 1901 provision was made for a supplementary estimate of the yield of the forests to be added to the estimated value of the holding, so that forest holdings were now valued and mortgaged not merely according to the value of the soil, but also according to the value of the forest yield. But for the purpose the working of the forest had to be regulated in accordance with the principles of the State Forestry Department and so this supplementary estimate was only made in the case of large forest holdings of at least 100 ha. in area. The provision did not apply in the case of small holdings. They were only taken into consideration for the purposes of the estimation of wooded land (*Boden- und Waldbestandstaxe*) introduced in 1910, and applying to forests of at least 15 ha. in area, taking into account besides the value of the soil also that of the wood as approximately ascertained; for the purpose it is true the scientific working of the forest, ensuring its maintenance is required, but it is not required that the forest should be worked according to the rules adopted for State forests.

(5) What is called the " supplementary estimate " of 15 % of the amount calculated on the value of the capital, allowed up to 1913 for holdings the yield of which was specially high, was raised in 1908 to 20 % for holdings on which the buildings and livestock represented at least 25 %. This supplement is an advantage above all for small and medium sized holdings, on which the value of the buildings is larger in proportion to the value of the land than on large holdings.

(6) In *elaborating the system of supplements* in 1913, every attention was given to the special conditions of the small and medium sized holdings. The value of the buildings and livestock, which is considerable on small

holdings, will be for the most part included in the *stock supplement* (*Bestandszuschlag*). This must be calculated in hundredths of the value of the fields, meadows, pasture land and waters. The maximum amount allowed increases inversely with the size of the holding and is 20 % for holdings of more than 100 ha., 25 % for those between 30 and 100 ha., 30 % for those between 10 and 30 ha. ; and 40 % for those less than 10 hectares. With regard to these holdings of less than 10 ha., those were especially contemplated that are held by small landowners called *Kätner*, those of rural artisans and small industrials in villages and the small independent holdings of one piece (*Ausbauten*), which are very much in demand and find a ready sale. So also in fixing the conditions for the *class supplement* (*Klassenzuschlag*) which may be allowed in addition to the stock supplement, as an estimate of the value of the quite special permanent character of the holding, every attention has been paid to the special character of the peasant holding, as for example the value of the favourable position in which the fields lie to each other and to the farm buildings, as well as the proximity of high roads or towns etc.

II. — By means of the above changes, the East Prussian Landschaft has been enabled to grant small landholders at least as large loans as those to owners of medium sized and large farms, if not larger loans. Other provisions have been adopted for the facilitation of credit for small holdings and the reduction of expenditure in connection with it. In this connection we must make the following remark :

(1) For the purposes of the valuation, a certified copy of the map made for purposes of the land tax had to be presented, on which the land cultivated and the kind of crops had to be marked by a sworn surveyor. In 1892, this rule had already been modified so as to diminish the costs of valuation of smaller farms, by the abolition of the necessity for the inspection of the crops on the spot by the surveyor in the case of farms of less than 50 ha., while the councillors of the Landschaft, entrusted with the estimation, were themselves to ascertain the changes made in regard to the crops indicated for purposes of the land tax, and the productive possibilities of the soil and enter them in the survey register. This rule was extended in 1910 to apply to holdings of from 50 to 100 ha. when a corrected map already existed that had been utilised for a previous estimate, provided no change had been made in the crops cultivated or that the changes made had been insignificant in respect to the total area of the holding.

(2) For the estimate of value, made in accordance with the net yield as estimated for the purposes of the land tax,for which since 1910 a valuation 45 times as high as the net yield may be accepted, the costs of inspection are not generally considered in the case of holdings of less than 100 ha. Only when the estimated value is reckoned as more than 36 times the net yield estimated for the land tax is inspection indispensable and to be paid for.

(3) The compensations to the Landschaft's Councillor entrusted with the valuation for his travelling expenses form a heavy charge against holdings of small area. Already, in the tariff of expenditure established in

1892, account was taken of this, when the amounts to be paid by the landholder for costs of valuation were established, on the basis of the area of the holding and partly on the net yield estimated for purposes of the land tax accepted as the measure of value, independently of the situation of the holding and the journey to be made by the appraiser. So also the valuation commissions received fixed amounts as compensation per day and for their travelling expenses, so that the small and large estimates and the long and short journeys compensated each other. In 1895, the expenditure in this connection was reduced in the case of holdings of less than 50 ha., and by way of exception also for those a little larger if belonging to a single proprietor and even if held collectively and if the valuations were made one immediately after the other (in the case of what is called village valuations), so that the total expenditure is only paid for the first valuation and only half the expenditure is paid in the case of each of the later operations. In 1913 the expenses for valuation were still further reduced, on the ground that it was necessary to reduce the cost of the credit granted by the Landschaft, above all for the very small holdings, so as to bring mortgage loans to the class of small land owners. A sliding scale was established for the valuation expenses, graduated according to the area of the holdings, varying from 350 marks for holdings of more than 1,000 ha. to 15 marks for those of 5 ha. The reduction of expenditure thus obtained is so great that no further reduction for village valuations can be contemplated.

(4) A special facility and at the same time a reduction of the costs of valuation has been arranged by the General Management of the Landschaft since 1907 itself providing the requisites for valuation of holdings of less than 50 ha. area. In return for this assistance only the personal expenses of the board are charged, up to a maximum of 20 marks. In 1913 this maximum was reduced to 15 mks. for holdings of less than 20 ha. area ; it was maintained at 20 mks. for those of from 20 to 30 ha. and raised to 25 mks. for those of areas of from 30 to 40 ha. and to 30 mks. for those of from 40 to 50 ha. In no case, however, is a sum charged in excess of the personal expenses of the Board. Any eventual surplus of the maximum rate is borne by the Landschaft. The balance of the maximum amount not spent is returned to the applicant together with an account of the expenditure. This provision has been taken advantage of more and more from year to year, as appears in the following table which shows only slight variations in the increase of the applications :

TABLE I. — *Applications for Requisites for Valuation.*

Year	Applications for Requisites for Valuation	Applications Withdrawn	Applications Granted out of the Balance from former Years
1905	37	3	34
1906	83	3	85
1907	147	7	147
1908	188	8	263
1909	407	21	456
1910	444	30	562
1911	648	48	610
1912	567	49	606
1913	547	31	624
1914	458	37	528

The decrease in the number of applications in 1914 is due to the state of war which since the first of August has prevented any valuation taking place ; on the other hand, the record of activity reached in 1911 was due to the fact that in 1910 the investment of plus values began to be taken into account in the valuation of all holdings without restriction of area.

(5) The grant of loans under form of *lettres de gage* was further facilitated by the provisions of 1899, in accordance with which the owners of holdings not exceeding 100 ha. in area might obtain an advance out of the Landschaft funds to meet the costs of valuation, on payment of 5 % interest; in addition, the costs of valuation already paid may be repaid by the Landschaft out of its funds to the landholder on demand, if it is found after valuation that his holding cannot be mortgaged, or else the payments not made may be remitted.

III. — To induce the small landholder to avail himself of the land credit of the Landschaft, easy access to this credit was perhaps even more necessary than the reduction of the expense of valuation or any other facility of fiscal character. In this sense the supply of the requisites for the estimation by the General Management of the Landschaft (II. 4), and the fact that no commission is charged are of the greatest importance. But already in the discussions of the Agricultural Conference of 1894, Dr. Hecht (1) observed that " the peasant who has need of credit wants it offered to him at his house, and local credit offices are always preferred to the distant

(1) Dr. FELIX HECHT, Agrarkonferenz of 1894, p. 352.

central office, even if the latter offers far cheaper and better conditions." Therefore in order to bring the Landschaft's mortgage credit to the people the best course to pursue is to "localise the staff of agents." The conditions of the East Prussian Landschaft were specially unfavourable for the purpose, as it has not, like most of the Landschaften, offices in the principalities or departments which could serve as provincial bureaux. This defect had to be remedied, and it was attempted to do this by means of publications and lectures and special measures of organisation.

(1) The conditions for obtaining loans expressed in clear and popular language were published in the official papers of the districts and sent periodically and regularly, above all at the beginning of each term for valuation, to the burgomasters of the communes and the registrars of land. Then a short summary was published in popular language of the principal articles of the rules of the Landschaft, of the bank and, since 1910, also of the life insurance institute, of the greatest importance for the landholders (*Object and Aims of the Landschaft Institutes*), and distributed free of charge. This publication was constantly brought up to date and distributed above all in the agricultural associations and to the itinerant agricultural lecturers. Addresses in connection with this publication were delivered in the associations and gave occasion for discussion of the object and aims of the Landschaft institutions. Officers of the Landschaft, specially trained for the purpose, were sent to the chief towns or other places in the districts favourably situated for the purpose, to give the landowners, desirous of contracting loans on *lettres de gage*, detailed information gratis in regard to the requisites for the valuation and to prepare the forms of application for the same also free of charge. Their visits are preannounced in the official district papers, and, if need be, in some of the daily papers read above all by small landowners.

(2) Many district offices and credit societies have formed themselves on their own initiative into offices of information and consultation with a view to enlightening the owners of small or medium sized holdings in regard to the loans granted by the Landschaft and popularising this form of credit; they even have received applications for valuation to be made by the Landschaft and have assisted the landowners in obtaining the requisites for valuation.

(3) In this respect the progress made by the East Prussian Landschaft has been decidedly important. This progress was, however, hampered by the centralisation of the work of the bank, which had its headquarters at Königsberg at the extreme end of the province. In consideration of these conditions and with the object of facilitating communications between the Landschaft bank and the members, at first a branch (business office) was established at Königsberg itself in the proximity of the railway station. Afterwards, in 1900 and the following years, after the rules of the bank had been completed by decisions (1904, 1910) granting it power to establish branches (business offices), agencies and collecting offices outside the town of Königsberg, branches were started in the province. In accordance with a plan for the whole district of the Landschaft, head offices were founded

at Königsberg and in the province, with agencies affiliated to them in smaller localities and, finally, offices for collection and forwarding managed by confidential agents in the remotest localities of the Landschaft district. So that the whole province of East Prussia and the part of the province of West Prussia included in the district served by the Landschaft were covered by a network of institutions, working as agencies of the Landschaft and the Bank, bringing the land holders to them and obtaining land and personal credit for the members of the Landschaft and above all for the owners of small and medium sized holdings. Thus the bank has now 7 business offices, 10 agencies and almost 100 collection and forwarding offices. With this extensive system of branch offices the bank acts in every direction as an organisation for the collection of deposits and for the satisfaction of the needs of credit, collecting the money and again distributing it. This organisation has had the greatest influence in increasing the number of mortgage loans of the Landschaft. The bank's offices have not only directly obtained loans from the Landschaft, above all for small and medium sized holdings, but they have also prepared the way for the mortgaging of the land by the grant of temporary credits for the purpose of paying off private mortgages and by the opening of bank credits for farm improvements. The Landschaft and the Bank work in harmony. The more the number of mortgage loans made by the Landschaft increases, the larger the number of the bank's customers becomes, and, again, the more the bank becomes a local institution of public utility for every part of the province, the more it contributes to the extension of the Landschaft. The bank comes into close contact with the middle class of the towns and of the country through the receipt of deposits and above all through its savings bank founded in 1909 and thus is better enabled also to grant, besides its mortgage loans on security of *lettres de gage*, also short term personal credit, and mortgage credit, by means of which, in many cases, when the loan in *lettres de gage* does not suffice to pay off the private mortgages, the mortgage loan of the Landschaft is alone made possible. This affects in the first place the holdings of small peasants, a large number of whom have still to be won over to the Landschaft and there is no question of large amounts, which could not be immobilised by the bank, which desires to retain the power of realising the money it needs. In this way, the bank has laid the small holdings more and more under contribution from year to year and has endeavoured to induce the small farmers to apply for mortgage loans from the Landschaft. The following table reproduces some figures showing the work of the bank, in regard to the acceptance of applications for valuations, the information service and the collection of interest on the Landschaft's Loans.

TABLE II. — *Work of the Bank in connection with the Landschaft's Business.*

Year	Applications for Valuation of Holdings Accepted		Total	Instances of Information Supplied	Collection and Payment of Interest on Loans of the Landschaft for Amounts		
	Less than 50 ha.	above 50 ha.			Less than 500 Marks	More than 500 Marks	Total
					Instances.		
1st. April 1908-1st. April 1909	65	30	95	404	Figures not Obtainable		
1st. » 1909 » » 1910	182	101	283	2,317	917	710	1,627
1st. » 1910 » » 1911	270	127	397	2,782	2,169	1,888	3,357
1st. » 1911 » » 1912	369	159	528	4,202	3,070	1,387	4,457
1st. » 1912 » » 1913	343	153	496	4,945	5,794	2,047	7,841
1st. » 1913 » » 1914	440	343	783	6,460	6,988	2,441	9,429

(4) In connection with the extension of the Landschaft's mortgage loans to small and medium sized holdings, the life insurance institute founded by the Landschaft in 1900 has also to be considered. The object in view in founding this institute was the relief of farm land from encumbrances. This object justifies the substitution of the insurance of life for the repayment of the loan granted by the Landschaft. This is effected as follows: the annuities to be paid for the *lettres de gage* may be invested in a life insurance policy issued by the Landschaft's life insurance institute. On the one hand, the transfer of the annuities gives the life insurance institute an effectual means for concluding a large number of life insurance contracts, on the other hand, however, it also favours the extension of the Landschaft's mortgage loans, since the borrowers have at the same time an opportunity of insuring their lives by means of payment of the annuities. Also the life insurance institute helps the Landschaft to extend its mortgage loan business, satisfying the need of land credit felt by the owners of small and medium-sized holdings and preparing the way for mortgage loans from the Landschaft by accepting second mortgages when the loan to be received is insufficient to extinguish the private mortgages already existing. The whole organisation of the life insurance institute with its 150 commissioners and itinerant inspectors who, by their active propaganda and with the assistance of a large number of other institutions of public character and public utility, have introduced and spread the idea of life insurance above all among the rural population, is also in this way of use in extending the loan business of the Landschaft. It overcomes in the first place the repugnance of a large part of the population to the payment of annuities, by

showing the advantages offered by the possibility of insuring a life by merely paying the instalments on the loans received from the Landschaft, with no further expense. With the help of the bank and the life insurance institute, the credit organisation of the Landschaft is decentralised to the utmost and enabled to satisfy, with a single central bureau, all local needs, by which, above all, the small landholders benefit.

IV. — The results of the work of the East Prussian Landschaft in the field of land credit to peasant owners are shown in the following tables.

To the increase in the number of holdings which have received loans and the increase in the amount represented by *lettres de gage* since 1896, shown in Table III, all the classes of farms of different area have contributed as shown in Table IV, whilst the percentage contributed by farms of more than 100 ha. has diminished, that contributed by the smaller farms (up to 20 ha. in area) has constantly increased in notable degree. An increase may also be observed, with some fluctuations, it is true, in the case of farms of from 20 to 50 ha., area, and in that of those of from 50 to 100 ha. area there has been an uninterrupted increase in the percentage of the amount of the *lettres de gage*, whilst that of the number of farms mortgaged has decreased a little, in spite of a general absolute increase, probably due to the more considerable subdivision of the holdings of this class. The high percentage of the amount represented by *lettres de gage* held by peasant landowners is also seen in Table V, in which we see that the number of small loans up to the amount of 10,000 mks., is far the largest and shows a considerable increase.

TABLE III. — *Loans Granted.*

Years	Total Number of Farms Receiving Loans	Total Amount of *Lettres de Gage* — Marks
1896	10,889	307,834,725
1901	13,562	367,537,525
1904	14,436	394,598,275
1907	15,223	421,457,075
1909	15,605	440,191,400
1912	16,614	481,371,650
1914	16,933	505,432,125

TABLE IV. — *Classification of Loans, according to the Area of the Holdings.*

Year	Holdings of Less than 20 ha.				Holdings of from 20 to 30 ha.				Holdings of from 50 to 100 ha.				Holdings of over 100 ha.			
	Number of Holdings	Loans — Mks.	Percentage of Total Holdings	Percentage of Total Amount Lent	Number of Holdings	Loans — Mks.	Percentage of Total Holdings	Percentage of Total Amount Lent	Number of Holdings	Loans — Mks.	Percentage of Total Holdings	Percentage of Total Amount Lent	Number of Holdings	Loans — Mks.	Percentage of Total Holdings	Percentage of Total Amount Lent
1896 . .	1,043	3.502,625	9.6	1.2	4,179	40,381,575	38.3	13.1	2,873	43,739,550	26.4	14.2	2,794	220,210,975	25.7	71.5
1901 . .	1,925	6,372,225	14.2	1.7	5,480	—	40.4	—	3,242	—	23.9	—	2,915	—	21.5	—
1904 . .	2,269	7,823,375	15.7	2.0	5,860	46,663,300	40.7	11.8	3,353	60,743,500	23.2	15.4	2,954	279,368,100	20.4	70.8
1907 . .	2,684	9,502,350	17.6	2.2	6,131	50,882.050	40.2	12.1	3,404	63,996,425	22.4	15.2	3,0 4	279,076,250	19.8	70.5
1909 . .	2,936	10,639,725	18.8	2.4	6,267	59,476,125	40.2	13.5	3,430	68,027,850	22.0	15.5	2,972	302,047,700	19.0	68.6
1912 . .	3,598	14,322,175	21.7	2.9	6,703	64,087,025	40.4	13.3	3,443	77,799,875	20.7	16.1	2,870	325,162,575	17.2	67.7
1914 .	3,902	16,260,925	23.0	3'2	6,779	67,611,175	40.0	13.4	3,429	82,305,125	20.3	16.3	2,823	339.254,900	16.7	67.1

TABLE V. — *Classification of Loans according to Amount.*

Year	Loans of Less than 10,000 Mks.	Loans of from 10,000 to 50,000 Mks.	Loans of from 50,000 to 100,000 Mks.	Loans of More than 100,000 Mks.
1901	7,012	4,805	884	860
1904	7,400	5,700	1,100	950
1907	7,800	5,250	1,250	950
1909	7,985	5,556	1,040	1,018
1912	8,306	6,056	1,090	1,102
1914	8,481	6,160	1,192	1,100

§ 3. THE SILESIAN LANDSCHAFT.

The credit system organised by the Silesian Landschaft in accordance with the regulations of May 11th., 1849 was intended to provide loans on mortgage for those farms not belonging to the Land Credit Association for Nobles' Estates.

The limits within which the farms were entitled to mortgage credit were from the start ample. First of all an area of at least 1 Prussian arpent (or 0.25ha.) of land fit for farming was required and the minimum value of the loan was 20 thalers; then, by the regulations of 1867, a net yield as estimated for purposes of the land tax of at least 30 marks was required and the minimum amount of the loan was fixed at 150 marks. In 1888, this minimum amount for the loan was reduced to 100 marks, and in 1895 the minimum for the net yield was lowered to 15 mks. The grant of loans on mortgages to small holdings, often subdivided, was then favoured by the decision of the year 1899, according to which "several holdings belonging to the same owner and forming an economic whole, when one cannot be shown in the cadastre as a portion of the other, may be valued and mortgaged as a whole." This provision removes a difficulty which often prevents the grant of a mortgage loan, since the union in the cadastre of several independent farms variously encumbered is not allowed by the courts, as the result might be a confusion of the mortgage conditions. On the other hand, the Landschaft, for the purpose of extending its mortgage loans, accepts the difficulties that may be involved in a common mortgage on several holdings separated in consequence of an auction sale of the mortgaged holdings in cases of bankruptcy, difficulties which have hitherto prevented other Landschaften including all the farms mortgaged in a single contract.

The increase in the loans and, at the same time, the facility of their concession was made possible by the following provisions. In 1899, the Manager of the Landschaft received the right to grant loans up to the amount of 20 times the net yield, as estimated for purposes of the land tax, instead of to 15 times ; in 1909, the amount was raised from 30 to 36 times, and in 1914 to 40 times this net yield, and in this latter year the deductions made for working expenses and farming expenses were reduced in the case of holdings, the total area of which in fields, meadows, pasture land and kitchen gardens was not above 6 ha. In addition, the grant of loans was further facilitated as a result of the resolution of 1909, by which the borrower may receive, in order to meet the expenses of valuation, registration, stamp and contract duties, the supplementary loan in money up to 10 % of the nominal value of the loan in *lettres de gage* at first intended only in part or entirely to make up the difference between the nominal value and the market price of the *lettres de gage* issued by the Landschaft. So also the decrease in the annuities to be paid by the debtors to meet the working expenses, from $^1/_{10}$ % to $^1/_{20}$ % of the loan, arranged in 1901, was an advantage for the peasant owners who have very largely profited by it.

As well as the general Board of Management of the Landschaft, the boards of the Landschaften of the principalities and the Landschaft officials have always zealously worked for the extension of agricultural loans on mortgage (*Rustikalbeleihung*). The General Management has published and largely circulated a small pamphlet of instructions in regard to the utilisation of the agricultural mortgage loans granted by the Landschaft. The *Landräte* (district officers), burgomasters, agricultural societies, loan and savings banks etc. have been supplied with copies. On several occasions the contents have been discussed in the communal assemblies.

The results obtained by the Silesian Landschaft through the grant of mortgage loans to peasant landholders are shown in the following tables. The number of peasants' holdings mortgaged and the total amount of the loans in *lettres de gage* have almost doubled since 1896 (Table VI), whilst the credit association for the nobles' estates shows a decrease in the number of estates mortgaged and only 20 % increase in the total amount of the loans. Precisely the number of the loans granted to small and very small holdings have above all increased since 1905 (Tables VII and VIII). That the relative importance of this increase as compared with that of the loans to larger holdings and of higher amounts is not striking is due to the fact that already in 1905, and even earlier, the proportion of the loans granted by the Silesian Landschaft to small landowners and peasants was enormously high, so that it was recognised in 1895, when the subject was considered by the Government, that the Silesian Landschaft had made large advances to the peasant landowners by means of mortgage loans and peasant property had thus been able to make great progress.

TABLE VI. — *Loans Granted by the Silesian Landschaft.*

March 31st.	Number of Holdings			Amount of Loans on Land		
	Not Incorporated	Incorporated	Total	To Holdings Not Incorporated — Mks.	To Incorporated Holdings — Mks.	Total — Mks.
1896	8,609	2,066	10,675	123,700,300	349,689,130	473,389,430
1901	11,225	2,046	13,271	158,464,200	370,447,065	528,911,265
1904	13,009	2,020	15,029	176,861,800	385,406,655	562,268,455
1907	14,314	1,988	16,302	199,969,050	398,168,275	598,137,325
1909	14,926	1,943	16,869	207,509,100	399,281,730	606,790,830
1912	15,996	1,888	17,884	220,118,950	411,262,340	631,381,290
1914	16,258	1,885	18,143	224,571,250	423,145,610	647,716,860

TABLE VII. — *Classification of Loans according to Area of Holdings not Incorporated.*

Christmas	Holdings of Less than 20 ha.		Holdings of Area between 20 and 75 ha.		Holdings of More than 75 ha.	
	Total Number	Percentage of Total Number of Holdings	Total Number	Percentage of Total Number of Holdings	Total Number	Percentage of Total Number of Holdings
1905	7,570	56.2	5,410	40.1	494	3.7
1907	8,230	57.1	5,675	39.3	515	3.6
1909	8,621	57.4	5,864	39.1	522	3.5
1912	9,242	58.4	6,068	38.3	519	3.3
1913	9,378	58.7	6,073	38.0	526	3.3

TABLE VIII. — *Classification of Loans to Holdings not Incorporated. According to their Amount.*

Christmas	Loans of Less than 10,000 Mks.	Loans of between 10,000 and 50,000 Mks.	Loans of between 50,000 and 100,000 Mks.	Loans of More than 100,000 Mks.
1905	7,962	5,104	318	90
1907	8,641	5,363	317	99
1909	8,909	5,640	356	102
1912	9,126	6,136	434	133
1913	9,219	6,185	434	130

§ 4. The new West Prussian Landschaft.

The New West Prussian Landschaft was founded on May 3rd., 1861 for the holdings not admitted in the association of the West Prussian Landschaft (for Nobles' Estates) in the districts of Marienwerder and Danzig.

In order to receive a loan, the value of the farm as estimated in accordance with the principles of valuation of the Landschaft must be at least 4,500 marks. In 1896 the limit was reduced to 3,000 mks. Since 1909 the holdings situated beyond the dikes in the lower plains of the Vistula and Nogat, which up to then could not receive loans, can be mortgaged for an amount of 25 times the net yield as estimated for the land tax. The limit for the amount of the loans was first fixed at half the estimated value. In 1873 it was raised to $^3/_5$ ths. in the case of holdings of a value of less than 30,000 mks. and in 1896 to $^3/_5$ ths. for all holdings and, finally, in 1900, to $^2/_3$ rds. of the estimated value.

This Landschaft, like most of the institutions of similar character, took the net yield as ascertained for purposes of the land tax as the measure of the credit to be granted. The amount of the loan might at first be 15 times the yield, after 1883 18 times for holdings of an estimated value of at least 45,000 marks, after 1896 22 times for all holdings, after 1900 25 times and since 1909 it may be 30 times. This method of measuring the amount of the loan is rapid and inexpensive. For the rest, the loans are fixed according to the value of the holdings estimated in accordance with the Landschaft's principles of valuation. In 1873 the special conditions of small holdings were met by the introduction of essential changes in the principles, especially by the subdivision of the districts according to the conditions of the soil, the introduction of amounts to supplement the value of the bare soil, and the taking of the value of the buildings into consideration.

Various measures were adopted for the purpose of reducing the burdens imposed on the debtors. Thus in 1896 the obligation of paying 1 % of the nominal amount of the mortgage loan as contribution to the working expenses, at the moment of receiving the *lettres de gage* was abolished, as was also in 1900 that of contributing ¼ % to the costs of management. Another facility was granted the landholders in 1909 when it was decided that the ½ % hitherto paid for 2 years as contribution to the working expenses and then for eight years as contribution to the guarantee fund, should only be paid for the first two years as contribution to the working expenses and then for four years as contribution to the guarantee fund and afterwards collected as instalments towards the repayment of the loan.

The following tables show the progress made by the New West Prussian Landschaft. Whilst in the West Prussian Landschaft the number of holdings mortgaged and the amount of the loans have decreased since 1896, in the New West Prussian Landschaft both have nearly doubled themselves

since that year (Table IX). The number of small holdings mortgaged, above all those of 20 ha. area, and of areas of between 20 and 50 ha. has increased to a greater extent than that of the larger holdings (Table X). We may also observe the larger number of loans to small holdings, and the increase of the number of small loans (Table XI) on *lettres de gage*.

TABLE IX. — *Loans Granted by the New West Prussian Landschaft (for Peasant Holdings) and the West Prussian Landschaft (for Nobles' Estates).*

Year	Number of Holdings Mortgaged to the			Amount of Loans Granted by the		
	New West Prussian Land-schaft	West Prussian Land-schaft	Total	New West Prussian Landschaft	West Prussian Landschaft	Total
				Marks	Marks	Marks
1896	5,661	—	—	101,617,670	143,757,880	249,375,550
1901	6,656	859	7,515	117,777,090	135,901,055	253,677,145
1904	7,821	808	8,629	152,896,810	136,667,085	289,563,895
1907	8,833	719	9,552	172,412,970	127,067,355	299,480,325
1909	9,604	693	10,297	186,278,210	124,394,005	310,672,215
1912	10,931	653	11,584	215,571,710	128,037,775	343,609,485
1914	11,865	640	12,505	244,199,280	132,707,830	376,907,110

TABLE X. — *Classification of the Number of Loans Granted by the New West Prussian Landschaft, according to the Area of the Holdings.*

Year	Holdings of less than 20 ha.		Holdings of between 20 and 50 ha.		Holdings of between 50 and 100 ha.		Holdings of more than 100 ha.	
	Total Number	Per-centage of total Number of Holdings	Total Number	Per-centage of total Number of Holdings	Total Number	Per-centage of total Number of Holdings	Total Number	Per-centage of total Number of Holdings
1905. . . .	3,160	38.3	3,368	40.9	1,179	14.3	540	6.5
1914 (Estimated Figures)	4,650	39.2	5,000	42.1	1,700	14.3	515	4.4

TABLE XI. — *Classification of Loans Granted by the New West Prussian Landschaft according to their Amount.*

Year	Loans of less than 6,000 marks	Loans of between 6,000 and 15,000 marks	Loans of between 15,000 and 30,000 marks	Loans of between 30,000 and 60,000 marks	Loans of more than 60,000 marks
1896. . . .	1,649	2,319	893	483	317
1901.	2,101	2,617	1,074	530	334
1904.	2,427	2,814	1,381	718	481
1906.	2,636	3,008	1,562	850	514
1914 (Estimated Figures)	3,636	3,908	2,462	1,150	709
	Below 10,000 marks	Between 10,000 and 50,000 marks	Between 50,000 and 100,000 marks	Above 100,000 marks	
1914.	6,035	4,726	774	330	

(To be Continued)

MISCELLANEOUS INFORMATION RELATING TO CREDIT

CANADA.

AGRICULTURAL CREDIT IN BRITISH COLUMBIA. — From a note in the June number of the *Journal of the Board of Agriculture* (London) we extract the following information relating to the provisions for the granting of loans to agriculturists which are made in the "Agricultural Act, 1915" of the province of British Columbia.

The Act establishes an Agricultural Credit Commission with power to purchase, let and deal in real and personal property and to grant loans on the security of mortgages for the following purposes: (1) the acquisition of land for agricultural purposes; (2) adaptation of agricultural land, or; (3) any purpose calculated to increase the productiveness of agricultural land.

The loans may be made only against first mortgages on surveyed agricultural land in the province, on the basis of valuations carried out by a Department of Appraisal and Valuation to be established by the Agricultural Credit Commission. In granting the loans the Commission must take into consideration: (1) the ascertained value of the property; (2) the ability of the borrower to make a living for himself and his family after the expenditure of the loan; (3) whether the loan will be of economic benefit to the borrower. No loan may exceed 60 per cent. of the appraised value of the security nor may any loan be made for more than £2,000 (approximately) in the case of individuals, though this amount may be exceeded in certain instances in the case of associations. Loans may be paid in instalments as the productive work for which the loan is required proceeds.

With regard to repayment, loans may be: (1) long-dated (repayable in 20, 30 or 36 ½ years); (2) short-dated (from 3 to 10 years); (3) for a single season (repayable within 12 months). The rate of interest is to be fixed from time to time on the basis of not more than 1 per cent. above the rate actually paid by the Commission on funds raised by them for their own purposes.

If the loan or interest remain unpaid, or if the loan is not applied for the specified purpose, or not expended carefully and economically within a reasonable time, or if agreements are not observed, the Commission may refuse further instalments and may recover advances made by entering upon and taking possession of the security.

SPAIN.

LOANS ON PLEDGE OF AGRICULTURAL PRODUCE INSTITUTED BY THE ELCHE SAVINGS BANK. — With the object of combating usury and solving the problem of agricultural credit, in one of its most complex and difficult forms, that is, for small tenant farmers and even for small landowners, the Savings Bank and Pawn Institute of Elche (Province of Alicante) has recently included among its operations the grant of loans on pledge of grain, vegetables and fruit.

The fact in itself is specially important, first of all, because to our knowledge it is the first appearance of the system of agricultural pledge in Spain. And then, if the example is followed by similar institutions in the country, the poorer peasants, who have, besidest heir personal security, — which is seldom accepted alone, — only the fruit of their labour to offer in return for the credit which is frequently necessary for their work, will no longer be compelled to borrow on ruinous conditions from professional money lenders.

The form of contract adopted by the Elche savings bank for this special purpose is not as perfect as that in use in other countries ; let us, however, remark that, whilst in those countries this special form of credit is protected and regulated by legislative provisions, the savings bank in question has decided to conform to the provisions of the Civil Code in regard to pledge generally, as up to the present no other legal provision has been made in Spain.

An examination of the operations of credit on pledge of agricultural produce conducted by this savings bank shows that they may be divided into three classes :

(1) When the borrower consigns the pledge to the bank as security ;
(2) When the pledge remains on a farm of the borrowers ;
(3) When it remains on a rented farm.

In the first case the pledge is given directly. In the second, the farm on which the produce remains is mortgaged, and the mortgage is cancelled when the pledge comes into the possession of the bank. In the third case, instead of a mortgage, the bank accepts the personal security of two ratepayers in the municipality, until the produce comes into its possession.

In all three cases, the amount of the loans is limited to from 10 to 100 pesetas ; they are granted for three months from date of delivery of the produce at the rate of 6 % per ann., plus 1 % for storage and maintenance.

The produce given in pledge in the second and third cases must be consigned within the term of 9 months from date of conclusion of contract. If accidental circumstances, amply justifiable in themselves, do not permit of this, the rate of interest will be raised from 6 to 8 % or the loan will be called in.

The bank is not responsible for losses through fire or other losses due to unforeseen accidents or intrinsic defects in the produce pleaged; but, to prevent damage to the grain from certain insects, it undertakes to employ every means possible against them.

The produce not redeemed at the proper time will be sold by public auction at the earliest opportunity. Lists of the produce will be published in advance and the borrower may still redeem it up to twelve o' clock on the day before that fixed for the sale.

From the proceeds of the sale of each lot deduction will be made of the capital lent on security of it, together with interest and the costs of the auction; the party concerned may withdraw the balance within three years, on surrender of the pledge certificate.

These are in outline the provisions by which the Elche savings bank has been guided in attempting the introduction of the system of credit on pledge of agricultural produce.

UNITED STATES.

FARM CREDIT IN KANSAS. — In the *American Economic Review* for March, 1915, Mr. George E. Putnam of the University of Kansas describes the results of an enquiry into the rural credit situation in that state carried out by the University early in 1914.

The enquiry was conducted by correspondence. Schedules of questions were sent to bankers, farmers and merchants in each of the 105 counties, an attempt being made to secure replies in each case from the county town and from at least one rural district in the county. Replies were received from at least one banker and one farmer in each county, and, in all, replies were received from 179 bankers, 122 farmers and 80 merchants.

It is not claimed that the enquiry has brought to light any new fact of importance, but the results are interesting as showing the close relation between the nature of the security which the farmer offers and the rate of interest charged him for loans. The information collected relates to both land mortgage loans and personal loans.

The interest on mortgage loans varies, as one passes from east to west through Kansas, from 6 to 10 per cent. In the table below particulars as to the prevailing rates are shown together with other particulars extracted from Volume VI of the *Thirteenth Census*.

TABLE I. — *Mortgage Loans.*

No. of counties			Rate of Interest	Mortgage indebtedness	Per cent. of total mortgage indebtedness	Per cent. of total rural population	Per cent. of total number of farms	Per cent. of total farm acreage
Eastern	Western	Total						
21		21	6	$ 25,357,810	35.80	28.7	26.9	18.6
38	6	44	6-7	36,380,322	51.40	54.0	53.8	45.8
	2	2	7	918,084	1.30	1.3	1.3	2.4
	6	6	7 8	2,725,848	3.80	4.1	3.9	6.3
	11	11	8	3,207,220	4.50	6.2	6.4	12.8
	8	8	8 10	1,586,310	2.20	3.2	3.7	7.1
	13	13	10	644,152	0.09	2.7	3.4	6.6

In the table the rates under 10 per cent. include agents' commissions. In the eastern half of the state, for example, life insurance companies lend at nominal rates of 5 and 5 ½ per cent., but the commission charged by the local agent who effects the loan adds at least one per cent. to this rate. Banks and mortgage companies seldom lend in any part of the state at less than 6 per cent., but the commission on loans from these institutions is less than in the case of life insurance companies. In addition to commission the borrower has to bear the cost of proving a clear title to his land, and he usually has to pay also recording fees, notary fees and charges for inspecting the property.

Mortgage loans are generally made for a term of five years. In the western counties shorter terms are common, but in these counties bankers and other investors avoid mortgage loans and show a decided preference for chattel mortgages and promissory notes.

Short term loans either on the security of the integrity of the borrower or on chattel mortgages are made by banks and merchants, generally, in the first instance, for three or six months. In recent years it has become the practice to renew such loans at maturity. The merchants furnish credit to the farmer either by allowing him book credit or by accepting his note. All notes of this kind are made payable in the autumn soon after the crop has been harvested. Payment for heavy machinery is sometimes extended over two years, and in this case the farmer pays a part of his note after the first crop is harvested and gives another note, payable after the following year's harvest, for the balance. According to the merchants themselves not more than 25 or 30 per cent. of their sales are for cash.

The prevailing rates of interest on short term loans, together with some information as to the agricultural development of the various sections of the state, are shown in Table II.

TABLE II. — *Short Term Loans.*

No. of counties			Rate of interest	Per cent of total farm acreage	Per cent. of total number of cattle	Per cent. of total value of implements and machinery
Eastern	Western	Total				
6	—	6	7-8	3.3	4.1	5.3
39	2	41	8	41.7	51.4	50.6
14	16	30	8-10	32.0	31.4	31.3
—	28	28	10	22.8	12.7	12.5

The rates given above are slightly below the actual rates paid by borrowers, for in practice the interest is deducted in advance from the amount of the loan.

It will be noted that the western counties where the highest interest is charged make a poor showing with respect both to cattle and to implements and machinery.

One of the questions asked of correspondents was whether they considered existing rates too high. In the 46 counties in the western half of the state bankers were evenly divided in their opinion, while four out of five of the farmers who replied were completely dissatisfied with existing rates. In the eastern half of the state the farmers appear to be satisfied, and as a matter of fact the majority of the shareholders in many of the country banks are farmers, and they, naturally, have no interest in seeking to reduce rates. Nor does the transient farmer who is really speculating in land values, wish to see rates reduced, as his object usually is to accumulate a surplus, retire from the country into the town, and become a lender in his turn. It was noted, too, in the course of the enquiry, that a good many of the farmers seemed to be indifferent as to what rates they were paying provided that loans could be obtained.

American farmers are given to complaining that they are compelled to pay higher interest rates than traders or manufacturers. As far as mortgage credit is concerned the complaint is unfounded in Kansas, where the evidence shows that the rate on city real estate loans is higher by from $\frac{1}{2}$ to 2 per cent. than the rate on farm mortgage loans. About one third of the banks which reported gave the rate to merchants for short term loans as slightly lower than the rate to farmers, but as a matter of fact the difference is small. Where the farmer paid 8 per cent. the merchant is reported to pay from 7 to 8 per cent.

The question of the increase in tenancy is invariably brought forward whenever the subject of credit for agriculture is under discussion in the United States. It is noted by the writer in the *Economic Review* that while

land values are so high that land yielding $ 3 an acre often sells for more than 100 dollars an acre, a farmer who wished to become an owner on borrowed capital would have to pay an interest rate of 6 per cent., which would be increased by supplementary charges to 7 per cent. Obviously there is no inducement for a working farmer to purchase a farm, with the result that the percentage of farms in Kansas operated by tenants has increased from one census to another as follows :

1880	16.3	per cent.
1890	28.2	» »
1900	35.2	» »
1910	36.8	» »

Another of the questions asked in the enquiry was : " What percentage of farmers, in your opinion, would be willing to form co-operative credit associations? " In reply, 36 farmers expressed the opinion that no farmers would be found to form such associations, chiefly on the ground that no farmer could give a lien on his property for the collective benefit of any group of persons ; 52 farmers had never heard the question discussed and declared themselves unable to give an opinion ; 34 gave estimates which varied from 2 per cent. to 100 per cent. of the farmers of their acquaintance. Evidently in Kansas the co-operative spirit is as yet but little developed.

Whether, however, the cause be the badness of the farming in Kansas or the wickedness of the bankers there, it cannot be denied that rates upon loans, whether for short or for long terms, seem to be too high to leave the farmer a sufficient return for his labour. Certainly, if it is intended to encourage farm ownership and discourage renting it will be necessary to find some method of providing the necessary capital at considerably less than 6 per cent.

GREAT BRITAIN AND IRELAND.

CREDIT FOR LAND IMPROVEMENT IN GREAT BRITAIN. — The following figures, showing the amount of loans granted in Great Britain in each year from 1911 to 1914 for improvements under the various Drainage and Land Improvement Acts, together with the total amounts advanced since the earliest of these Acts (The Public Money Drainage Act, 1846) came into operation, are taken from Part II of the Annual Report of the Board of Agriculture of Proceedings under the Small Holdings and Allotments Acts, 1908 and 1910, the Universities and College Estates Acts, etc., for the year 1914.

Purpose of Loan	1911	1912	1913	1914	Period 1847 to 1914
	£	£	£	£	£
Drainage	4,208	2,195	991	1,687	9,036,063
Farm Buildings	42,696	19,668	34,409	26,280	5,622,965
Labourers' Cottages	20,948	19,564	31,122	37,126	1,460,426
Mansion Houses, etc.	6,636	3,082	4,977	9,995	901,173
Fencing and Embankment	2,123	494	1,568	262	484,574
Roads	4,421	2,305	1,329	5,208	252,733
Clearing and Reclamation	—	—	—	500	147,072
Planting	276	308	120	500	109,475
Subscription to Railways	1,000	—	—	—	130,673
Water Supply	6,804	7,158	16,999	7,825	175,653
Other Improvements	12,493	23,216	12,732	12,894	393,121
Total	101,695	77,990	104,247	102,277	18,773,928

The Report quoted contains also the figures for the periods 1847 to 1872 and 1873 to 1888, and for each year from 1883, but these have already been reproduced in this *Bulletin*. They will be found in the issue of May 1911, appended to an article entitled " Credit Facilities for Land Improvement in Great Britain, " in which the provisions of the various acts in question are outlined.

ITALY.

" FEDERAZIONE PER IL CREDITO AGRARIO NELL'UMBRIA " NEL 1914. — Law no 7 of January 2nd., 1910 on Agricultural Credit in Marche and Umbria (1) instituted in each of these regions a Federation of *agricultural banks* and *institutes for rediscounting* (savings banks and co-operative banks), as a voluntary association. These Federations have to administer the funds assigned by the same law for operations of Agricultural Credit, amounting as we know to 700,000 frs. for Marche and 400,000 fr. for Umbria.

They have especially to provide the capital for agricultural banks and temporarily invest the funds not yet utilised for the purpose.

(1) In regard to the system of agricultural credit in Marche and Umbria, see the article in the number of this Bulletin for June, 1915.

The Umbrian Federation has recently published its report for the year 1914 (1), from which it appears that on December 31st. of that year, there were 14 agricultural banks that had been founded in the region and were recognised by the law. Of these ten had granted subventions in the form of bills for a total amount of 74,354 frs. (against 28,543 frs. granted by 5 banks in 1913), that is to say, 38,999 frs. for purchase of manure, 27,435 frs. for purchase of live and dead stock, 7,085 frs. for farming expenses and 835 frs. for expenses in connection with the harvest. The Federation closed its account swith a profit of 6,907 frs.

The report ends with the following desires, which it was decided at an important meeting of the representatives of the various agricultural institutions of the region, held at Perugia, on February 21st. last, should be submitted to the Minister of Agriculture, Industry and Commerce:

(1) that, in the new arrangements for agricultural credit, there should be included the constitution of a *Central Rediscount Bank* for the agricultural Banks and Associations of the region, the initial capital of which could be formed out of the fund accumulated and to be accumulated by the Federation for Agricultural Credit and any eventual balance from the amount of 400,000 frs. assigned by the law of January 2nd., 1910 and might be in due course completed by means of other contributions ;

(2) that, among the amendments to be made in the law should be included the modification of the rate of interest both for discount and rediscount, according to the variations in the official rate of discount, and that the rate fixed according to article 9 of the above law should be abolished ;

(3) that the provisions for the grant of loans should be simplified.

(1) See : Federazione per il credito agrario nell'Umbria : Relazione del Consiglio federale per l'esercizio 1914. Perugia, Bennucci, 1915.

Part IV: Miscellaneous

AUSTRIA.

FARM TENANCY CONTRACTS IN SOUTHERN AUSTRIA (*Continued*)

§ 3. Dalmatia.

Dalmatia, the southernmost province of Austria, is a long strip of land along the east coast of the Adriatic Sea, bounded on the North by Croatia, on the East by Bosnia, Herzegovina and Montenegro and on the South by Montenegro. The northernmost point is the little island of San Gregorio, North of the island of Arbe, lying between the Channels of Quarnerolo and Morlacca ; the southernmost is Spizza, ceded to Austria, by Turkey in accordance with the decision of the Congress of Berlin of 1878. Dalmatia has an area of 12,835 square kilometres and the population was in 1911 642,810, inhabiting 129,000 houses in 86 communes and 861 fractions of communes. Of the population, 86.12 % were engaged in agriculture, 4.58 % in industry and mining, 4.08 % in trade, and 5.22 % were employees in the Government service or soldiers, belonged to the professional classes or else had no occupation.

The Dalmatian population derives its means of subsistence from the sea, as seamen, or from industries connected with shipping, fishing (especially on the islands), the cultivation of olives, vines and grain. The productive soil of Dalmatia may be divided as follows : 137,238 ha. grain land, 81,853 ha. vineyards, 37,024 ha. orchards and vegetable gardens, 10,492 ha. meadows, 593,900 ha. grazing ground, 13,383 ha. productive marsh land, 381,672 ha. forests, (31,992 ha. being olive groves and 53 ha. chestnut woods). Of all the Austrian provinces, Dalmatia has the largest proportion of grazing ground (46,28 %) and, with the exception of the Littoral, the largest proportion of land cultivated with vines (6.38 %) and vegetables (2.89 %) and the smallest of

that cultivated with grain (10.69 %) and as meadows (0.82 %). The forests of Dalmatia are now reduced to insignificance in comparison with what they used to be and their value is small; thus a source of revenue has gradually disappeared which, formerly, rendered the country really rich. The forests of Dalmatia in 1910 covered 381,678 ha. or 29.7 % of the entire area. The warm climate favours the cultivation of southern fruits and vines. The wine produced in 1912 was 388,000 hectolitres; and the best wines are the Malvasia of Ragusa, the Moscato, of Almissa and Macarsca and the wine of Lissa. Viticulture has developed largely in recent years; red Dalmatian wine is exported in large quantities to France, where it is mixed with French wine to make clarets. Table grapes in 1912 were produced to the amount of 28,114 quintals, figs to that of 60,609 quintals, chestnuts to that of 3,212 quintals, olives to that of 44,657 quintals and almonds to that of 20,255 quintals. The wheat produced in 1912 was 334,311 quintals, the rye 49,312 quintals, the barley 188,325 quintals, the oats 18,921 quintals, the maize 504,895 quintals, while the potato crop was 372,263 quintals and that of tobacco 27,632 quintals.

According to the livestock census of 1910, Dalmatia had 26,520 horses, 104,716 oxen, 254,896 goats (as regards the number of its goats Dalmatia came second to Bosnia, which had 406,362), 70,849 pigs, 1,027,747 sheep and 28,268 asses. The production of cocoons is small and not more than 260 quintals.

The fisheries brought into the country in the season of 1911-1912, about 10,500,000 crowns, half of which was made by fishermen of the Kingdom of Italy and half by those of the country, fishing off the Dalmatian shores (1).

After these general remarks in regard to the nature, population, agriculture and wealth of the country, we shall go on to consider the characteristic features of the farm tenancy contract in Dalmatia.

For the sake of clearness, we shall group our observations under three heads, in doing which we shall not be merely guided by geographical reasons but by the special circumstances to which the peculiarities of the system of contracts in the different areas are due.

A. — Northern Portion.

There is nothing in common between the farm tenancy contract in Dalmatia and that in use in the provinces with which we have been so far concerned. The only resemblance is that also in Dalmatia the produce is divided. Further, it must be borne in mind that the Dalmatian farm tenancy contract is not an institution of a single form, but its forms are various, differing according to their origin and their purpose. Geographically, we

(1) See: *Oesterreichisches Statistiches Handbuch*, 1912: Vienna, 1913, Herolds Sohn and *Statistisches Jahrbuch des K .K. Ackerbauministeriums für das Jahr*, 1913, Vienna, 1914, Hof und Stuatsdruckerei.

must consider Northern Dalmatia apart from the territory of the former republic of Ragusa and the district of Cattaro. Northern Dalmatia itself may be, as regards farm tenancies, divided into three regions, the first the coast region, the second a strip of land in the interior and the third the Dalmatian districts bordering on Bosnia. It is, however, not possible to assign to these regions geographical limits, as everywhere one system passes into another. Even the Dalmatian islands possess their own quite special institutions.

The principal characteristics of the Dalmatian farm tenancy contract are that the landlord gives the tenant uncultivated land; the latter clears and plants it. The yield is equally divided, but often also the division is made differently so that the landlord receives only a third, a fourth or even only one seventh; the rest is the tenant's. Equal division is very rare under this form of contract and we only find it when the tenant receives land already prepared for cultivation. The contract lasts for the life of the plant, in the case of vineyards twenty or fifty years or even longer, in that of grain farms for a single year.

By the side of this fundamental type of contract, we find also that of *métayage*; in the mountain regions the vineyards are cultivated by the landlord, while the arable land is assigned to tenants.

It is very important to observe that the Dalmatian tenants, in contrast with those of Friuli, are almost all small holders and we find everywhere an alarming deficiency of labourers.

From the legal point of view, we may say that the Dalmatian farm tenancy contract is not considered in the Austrian Civil Code, owing to the fact that, at the time the Code came into force, Dalmatia was not yet subject to Austria.

The peculiarities of these contracts are not so much the effect of legal influences, which, however, have been of considerable importance, but chiefly of the kind of crops cultivated in the district, that is to say of causes above all of economic character; consequently, we must consider the various agricultural regions into which the country may be divided and group the various districts on the basis of the above elements.

Let us commence with the North of Dalmatia, from the city of Nona to that of Zara. Here the tenants are generally small landholders and many of them again have tenants under them.

Generally the tenant must give the landlord the seventh part of the vineyard produce and a quarter of the grain; if, however, the landlord supplies the seed and manure for the grain, the produce is divided equally.

In the territory of Nona, the tenant's right is rarely registered in the land books, because, the grain farms are of greater importance there than the vineyards, and for them the contract only lasts one year, that is the life of the plant; another reason why the tenant's right is not registered is that farm improvements are not of great importance here. All the same the tenants often consider themselves as proprietors and sell their tenancy rights (the right of cultivating and improving the farms) even without the

consent of the landlord. In case of cancellation of contract, the tenant is usually compensated for improvements.

To the south of Zara, as far as Zaravecchia and Vrana along the coast above all at San Cassiano, San Filippo e Giacomo, Zaravecchia and Jankolovica, there are special uses with regard to the term of contract, and here it is understood that the contract, in the case of vineyards, lasts until for three consecutive years the produce has only been a fourth of the average. New vineyards become the property of the landlord before the renewal of the contract: this is important, because it prevents the contract being abusively extended as elsewhere happens by means of new plantations which are not completed.

In this district there is also another special custom, by which tenancy contracts in regard to arable land, orchards and mulberry plantations last for a period of twelve years. Finally, whilst elsewhere the tenancies may be divided amongst the tenants' heirs, in some places even without the landlord's consent, on this part of the Dalmatian coast no division among the heirs is allowed.

Here also we often find that the tenants are small independent land holders; and in the case of vineyards the tenants' rights are registered in the land books. The landlord usually receives a fourth or a fifth of the produce; in the case of vineyards planted by the tenant the landlord's share is reduced to one seventh. At San Filippo e Giacomo, there is a special clause in the contract that only one of the tenant's sons has a claim to inherit. With regard to the term of the contract the use is here that when there are 30 or 40 olive trees on a hectare, olives are considered the principal crop and the term of the contract corresponds with the life of that plant. The landlord's share is, usually, the fourth or fifth part of the vineyard produce, the fifth of the grain, half, one fourth or one fifth, of the olives, according to the position and character of the crop. The tenants recognise the landlord as owner of the soil, but they consider the plantations their property.

At Zaravecchia the conditions are nearly the same as above. The landlord's share is usually a fourth. Compensation is given for improvements, either in full or in proportion to the shares of the contracting parties.

At Sebenico olives form the principal and most remunerative crop, every plant is of great value in view of the large crop each tree yields. Hence it is customary to transfer the property of the individual plants to third parties, independently of the soil, which remains in the possession of the landlord; the owners' rights thus acquired are registered in the land books. Owners of individual plants may again transfer their rights to others.

The conditions are not very different at Spalato, in the Seven Castles, that is to say the localities on the north of the gulf of Salona as far as the district of Traù, and in the territory of Traù itself. Of course there are everywhere special local peculiarities which it would take too long to point out here; on the other hand if these details are of great importance for the study of the conditions of the various localities of this region, they

do not affect the general outline we have given here of the farm tenancy contracts and the relations between landlords and tenants in this part of Dalmatia.

The same may be said with regard to the inland districts, corresponding with the localities on the coast above considered.

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Recapitulating, we may say that the principal form of contract in North Dalmatia, is that by which the tenant receives vineyards and olive gardens for the period of the life of the plant in return for a portion of the produce.

The amount of the landlord's share depends upon whether the land is or is not in a condition to give an immediate return, on the quality of the soil and its position We do not find here cases in which the tenant has to work for the benefit of the landlord without pay, or if there are such cases the conditions are not severe. Improvements are compensated for in proportion to the shares of the contracting parties, and the burden of the public taxes is shared in the same proportion. Contracts for hire of grain farms are unimportant in these parts. Agriculture suffers in two ways by these farm tenancy contracts ; first of all, because the tenant, as he has to share his harvest with the landlord, neglects to cultivate the soil intensively ; the tenant sees in increased production only a profit for the landlord and does not consider that this is accompanied by an increase of his own share of the profit ; secondly, because the old tenancy contracts take no account of the yield from hay, and often not of that from fruit trees so that the landlords are against the cultivation of such crops. Hence the absence of meadows easily observable in Dalmatia and the deplorable condition of livestock improvement there. The comparatively long term for vineyard contracts and that longer still for olive gardens, the destructions that take place on the farms during these terms, the partly abusive and partly tacit extension of the terms, the habit of selling new plantations etc. have all led to considerable confusion from the legal point of view ; this confusion has finally increased with the registration of the tenants' rights in the land books in vine and olivegrowing districts. It is indeed true that thus a certain stability has been given to conditions of fact, but this has been done in a way that does not appear correct either from the point of view of the law or from that of economic interests, and the less so as by this expedient the idea of the existence of a real hereditary right has been strengthened in the minds of the population of these parts. These considerations would have no importance if the question had been thus settled permanently ; but it certainly cannot be said that this has been done, because the landlord always has the power to put in force his right to evict the tenant if he neglects the farm entrusted to his care or in case of any breach of the contract on his part. Certainly, the farm tenancy contract has reached its maximum development, from certain points of view of the common law, in Dalmatia and above all

in certain regions of the country. The progress, which may easily be seen, when the forms of contract we have sketched are kept in mind, has been great and, from many points of view, surprising.

Let us first of all consider the tendency to extend the term of the contract as far as possible ; thus, from the annual contract usual in Austrian Friuli we advance gradually, through intermediate forms, by the substitution of long term contracts and contracts for the life of the plant yielding the principal crop on the farm held by the tenant. Another stage of the development is certainly shown by the registration of the tenant's rights in the land books ; the consequences of this cannot yet be certainly foreseen ; it is, however, certain that in this way the idea of the existence of hereditary rights is intensified, and when once this idea has become firmly rooted it is not impossible that it will have far reaching effects on the constitution of the landed property of these countries.

B. — *The Former Republic of Ragusa.*

The institution of farm tenancies in the territory of the former Republic of Ragusa, was already regulated in a serious manner by the laws of the republic and received from the same a quite special character in virtue of its special conditions and its historical evolution. But all that is now only of importance from the point of view of history, while the present situation may be compared with that of Northern Dalmatia, which it has been approaching nearer and nearer. The *Contadinato* as it was called, by which a cottage was let to peasants in return for payment in labour, lost all importance in 1878. The lease of land in form of *Ujvet*, in return for payment in kind, is becoming rarer and rarer. What is called *Poklon*, the cession of a small garden by the landlord in return for payments in kind, still exists, but it is not of great importance from the point of view of the national economy. The same may be said of the *jus lignandi*. The registration of tenants' rights in the land book has sapped the original theory, according to which the farm tenancy contract was considered, for the purposes of the register, as a right purely derived from an obligation (*obligatcrisches Recht*) ; on the contrary the idea is insinuating itself that it is a real right. It is to be noted that the houses are usually owned by the landlords, that the tenants (peasants) pay an annual rent of 5 florins or a lump sum of 100 florins and the landlord may evict them at any moment, without adducing any reason, on giving compensation for improvements, while, if the tenant abandons the farm of his own will, he forfeits all right to compensation for improvements.

In regard to the economic conditions and more especially the agricultural conditions of the region, we shall briefly say that they are anything but flourishing ; emigration, the rise in wages, and the unsatisfactory financial situation of the landlords, have created difficulties which have led to the abandonment of entire agricultural districts, for example, the country round Ragusa, now altogether uncultivated. The tenants try to get their

contracts cancelled; they neglect to work the farm so as to give a pretext for this and then obtain compensation for improvements. In the case of land previously uncultivated, the landlord's share is generally a fourth of the produce of the vines and a third or fourth of that of the olives. In the case of land already cultivated, he receives the half of both crops. He must take his share in the expenditure on sulphur, sulphate of copper and manure. We often find in this region that the land is sublet, divided and the improvements sold without consent of the landlord, and the law recognises such transactions as valid. All this can only happen because in the territory of Ragusa the term of the contract corresponds with the life of the plant, although, as before said, the landlord theoretically has a legal right to cancel the contract at any moment. Often the tenant is only compensated for improvements in proportion to his share in the produce and the custom has grown up by which the landlord may only cancel the contract if the tenant does not work the land for three consecutive years. The contracts are generally terminated by verbal agreement.

C. — *Gulf of Cattaro.*

In the territory of the Gulf of Cattaro, farm tenancy contracts are little known and only met with in the remoter parts of the region near Castelnuovo, Teodo, Lastua etc. The houses belong to the tenants, the landlord's share in the produce is one third and he contributes in the same proportion towards the payment of taxes. The landlord may cancel the contract at any moment, but must give compensation for two thirds of the improvements as legally valued or freely agreed to between the parties. Often the tenant keeps the landlord's share of the produce, paying him instead in cash or a fixed amount in kind. Here and there however we find the landlord's share is a half, a fourth or a fifth. The extreme subdivision of the soil and the worthlessness of the farms prevent farm tenancies from really developing here.

COLUMBIA.

AGRICULTURE IN COLUMBIA AND THE PROBLEM OF COLONISATION

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The Republic of Columbia, the ancient Eldorado, is one of the countries most favoured by natural resources, fertility of soil, and variety of climate. It has been truly said that along with California it is the country of the world richest in minerals. Gold, silver, platinum, copper, emeralds, mineral oils and so forth are found there in abundance. At the same time the diversity of climate and the fertility of the soil produce a large variety of valuable hard woods and all kinds of crops from wheat to cacao.

This new country only needed a long period of peace to establish the economic machinery needed for the exploitation of its natural wealth. Unfortunately, the prolonged struggles for the conquest of independence were followed by a series of internal disturbances which paralysed all development from the start. It would now, however, seem that all parties have put an end to their rivalries and have united their efforts to promote progress.

And with peace confidence is returning. Timely legislative measures taken by the Government have already led to appreciable results. The rate of exchange which at the time of the civil war, in October 1902, had reached the high figure of 18.9 %, has fallen rapidly and for some time past 10 % has been the prevailing rate. Population and trade increase from year to year.

But this progressive movement is but the first step towards the economic development which Columbia should attain in view of its vast natural resources. Grave difficulties have still to be overcome, the most serious of which is lack of labour. Before, however, dealing with this important question and with the steps taken by the Government to solve it, we shall follow the plan adopted by us in the case of other countries of Latin America, and briefly review the geographical and economical conditions of the country.

§ 1. Notes on the economic geography of Columbia.

(1) *Geographical Conditions.* — Columbia is situated in the north western section of South America, in the tropics, extending between latitude 12° 25′ north and 2° 5′ south, and longitude 68° and 79° 5′ west (Greenwich). It covers an area of about 1,570,000 sq. km. (1), ranking in size as the fifth of the republics of Latin America, coming next after Brazil, Argentina, Mexico, and Bolivia.

Topographically it may be divided into two main zones: the western consisting of a mountainous region formed by the spurs of the Andes, covering a little over one third of the country, and the eastern, consisting of a vast plain with two watersheds, the north-east, and the north-west which unites with the basin of the Amazon and its tributaries.

The mountainous region consists of the great chain of the Cordillera of the Andes. To the south, along the frontier of Ecuador, the main section of this chain forms a great mountainous block known as "Los Pastos", with two ramifications branching out to the north-east. The one stretching to the left, the western Cordillera or Chocó, extends inland from the coast for a length of nearly 1,000 kms.; the other ramification known as the central Cordillera, or Quindio chain, runs parallel to the former, but is rather loftier and of volcanic formation. In its turn it gives rise to another chain, the eastern Cordillera or that of Sumapaz, one of the branches of which joins at the extreme north of Columbia with the gigantic Sierra Nevada of Santa Marta which commands the coast with its five peaks, the loftiest of which attains a height of 5,800 metres.

The position of these mountain-chains, running parallel to one another in a north-easterly direction, is extremely advantageous to the country, for they form valleys traversed by rivers whose length and course make of them magnificent natural water-ways. There are three distinct basins: the central basin through which run the Cauca and the Magdalena; the eastern basin, which in its turn subdivides into the valley of the Orinoco and of the Amazon.

Though situated in the tropics, Columbia has a great variety of climate owing to the different altitudes of its several regions, and thanks also to the

(1) It is impossible to state accurately the area of Columbia as all its frontiers have not yet been finally fixed.

admirable distribution of its water-courses and to the ventilation of its valleys. Climatically it may be divided into three zones.

The hot or tropical zone, comprising the sea-coasts, the plains, and the valleys of the great rivers, that is to say all that portion of the country the altitude of which does not exceed 1,000 metres. This zone is for the most part unhealthy; the average temperature varies between 22° and 30° degrees centigrade; the fertility of the soil is extraordinary.

The temperate zone, including the high valleys and the slopes of the Cordilleras at an average altitude of from 1,000 to 2,600 metres. The average temperature is from 15 to 22 degrees C. and the climate is pleasant and healthy.

The cold zone, comprising territories situated at an altitude of over 2,600 metres, where the temperature does not rise above 15° C.

(2) *Population.* — The predominating race is white, of Spanish origin, and much mixed with native blood; it represents nearly 50 % of the total population. Next comes the black race (35 %) and the native race (15 %). The 1912 Census returns the population at 5,472,612 inhabitants (1) which would make Columbia rank fourth among the countries of Latin America, that is to say after Brazil, Mexico and Argentina. The population is constantly growing as is shown by the following table:

Year	Inhabitants
1770	806,209
1825	1,223,598
1845	2,050,137
1871	2,951,111
1905	4,353,777
1912	5,472,613

The density of the population is 4 inhabitants per square kilometre, a very low figure in view of the natural wealth of the country, but readily understood if we take into account the long period of struggles which have paralysed commercial development. Owing to these same causes Columbia has been unable to attract those currents of immigration to which other South American countries owe their present prosperity. Even to-day, spite of all the efforts made by the Government, immigration in Columbia is insignificant though the absence of official statistics prevents us from giving precise figures. It must also be remembered that the population in the tropical zone is very scanty, and that it is mainly to be found in the high valleys and temperate plateau lands of the Andes. The population is most-

(1) This figure includes the population of Panama (the independence of which has since been recognised by Columbia), officially estimated at 400,000. If we deduct this figure the actual population of Columbia would amount to 5,072,613 inhabitants.

ly rural : Bogotá, the capital, only boasts 121,257 inhabitants ; Baraquilla (Puerto Colombia) the great sea-port of the Antilles has a population of only 48,907.

(3) *Products.* — Its mines and its agriculture form the economic backbone of the country. We shall speak at greater length of the agricultural situation ; and shall give here only a few brief facts with reference to the other sources of wealth in Columbia.

The ancient Eldorado is rich in all varieties of metals. Rich gold mines exist in nearly all its departments. M. Démangeon says that when we consider that only the thousandth part of these mines is now worked, that the methods employed are primitive, and that nevertheless Columbia comes fourth in the list of the gold producing countries of the world, the wealth of the land will be readily admitted.

Silver is even more plentiful than gold in all parts of the country. Important deposits of platinum have been recently found in the Chocó region, near the Atlantic coast.

In 1912 the output of these precious metals amounted to :

Gold	$ (1)	6,639,913
Silver	»	123,254
Platinum	»	594,188

There are also important beds of iron, copper, lead etc., which are mostly unworked owing to lack of capital and labour. Coal and mineral oils, hitherto unexploited, and to be found almost all over the country, may constitute in the near future one of the most important factors in the economic development of the country.

As is well known, Columbia and Russia are the only countries which produce emeralds on a commercial scale. Until 1875 the Columbian Government worked the emerald mines ; it still has control of the most important. In the absence of statistics we cannot give figures, but we can, nevertheless, safely say that Columbia is on the way towards possessing a monopoly of natural emeralds. The sub-soil of the country also contains other precious stones, the trade in which may become an important source of wealth.

One of the chief products of the country is salt which yields an important revenue to the State, which itself works the more important salt mines.

Manufacturing industries are still in their infancy, and only partially suffice to satisfy local demands.

(4) *Trade.* — Columbian trade is steadily growing. The following figures give an idea of the development of foreign trade.

(1) By the act of June 12th., 1907 the monetary unit is the peso (dollar) gold $, equivalent to 5 francs.

	Imports	Exports
1870	$ 5,749,018	$ 8,247,817
1880	» 12,121,480	» 15,836,943
1895	» 11,523,222	» 15,088,316
1905	» 12,281,720	» 12,314,916
1907	» 12,088,563	» 13,791,442
1908	» 13,513,891	» 14,913,304
1910	» 18,385,039	» 17,786,806
1911	» 18,108,863	» 22,375,899

The chief articles exported in 1912 were coffee (16,777,908 pesos), hides and skins (2,661,721 pesos), bananas (1,996,999 pesos) and rubber (736,427 pesos).

Columbia imported more especially food-stuffs (flour, rice) and textiles.

(5) *Means of Communication.* — It is well-known that economic development demands plentiful means of communication. One of the main obstacles in the way of the development of Columbia on the scale which her natural resources demand has undoubtedly been the totally inadequate means of communication and transport available in the country. Spite of its large area, Columbia has barely 1,000 kms. of railroads, equivalent to 1 km. of railroad for every 1,500 sq. km. of area. Moreover, only 6 of the 14 lines of the Columbian railway system are of normal gauge, the others being narrow gauge lines, which puts a further difficulty in the way of transportation. And the roads are not more satisfactory than the railroads.

Recently, public bodies, realising the importance to Columbia of the new sea-route through the Panama Canal, have worked out a complex plan which aims at reorganising the sea-ports and improving the inland communications. This plan is now being carried out.

(6) *Finances.* — In 1913 the public expenditure amounted to 14,060,294 pesos, and the revenue to 14,070,652 pesos.

The consolidated debt amounted at the same date to 5,476,888 silver pesos, and the floating debt to 2,756,545 gold pesos.

§ 2. Agricultural production.

As we have already said, fertility of soil and variety of climate have endowed Columbia with extraordinary agricultural possibilities, and crops of all descriptions can be raised on her soil. We shall now review some of the leading products.

(1) *The Three Climatic Zones and their Products.* — The tropical zone has an exuberant vegetation. It is characterised by great forests of mohogany, oak, and other trees, and by all plants which require heat and humidity, such as the cocoa tree, the sugar-cane, rubber, tobacco, etc.

The temperate zone forms an intermediate territory in which grow plants characteristic both of the tropical and the cold zones : yet certain products are proper to it such as coffee, quinine, maguey, and others.

The cold zone produces the same crops as Central Europe : cereals, leguminous plants, forage crops, vegetables. It is also rich in timber.

(2) *Principal Products. The Cocoa-tree.* — The cocoa-tree grows wild in many districts, more especially in the north on the slopes of the lower spurs of the Sierra of Santa Marta. It is cultivated almost throughout the tropical zone, especially along the sea coast and in the valleys of the Magdalena and its tributaries. The cultivation of the cocoa-tree has also been introduced in the great eastern plain in the territories of the Arauco and the Meta.

Columbian cocoa is generally of excellent quality, and is consumed on a large scale in the Republic. In 1909, 620,936,610 kgs. of this product were exported for 246,190 pesos.

Bananas. — For some years past banana plantations have been developed on a large scale, especially in the region of Santa Marta. It would seem that a powerful American company is trying to monopolise the output of the whole district, supplying credit to those land-owners who do not possess the capital required for working their land. This company buys up in advance the entire output of the banana plantations at a price varying between 1 franc 75 and 1 franc 25 per *régime*. This great company has, moreover, monopolised the trade so that it is almost impossible for the planters to do business except through it ; a state of affairs which is not without its drawbacks.

In 1912, 11,000 hectares were planted out to bananas, 3,000 of which belonged to the aforesaid company. The ground suitable to such plantations amounts, however, to 50,000 hectares. Over 5,000 men work is these plantations, and bananas are one of the principal exports of Columbia, as is shown by the figures we have given above for her foreign trade. The facts we have set forth explain how it is that nearly the whole of the banana crop is shipped to the United States. Some attempts have been made of recent years to introduce Columbian bananas on the European market, but so far the results have been meagre.

Rubber. — Rubber plants are found almost throughout the tropical zone, more especially in the valley of the Magdalena, on the Andes, and in the territory of Vaupes near the Brazilian frontier. The more valuable qualities such as the *Hevea* and the *Castilloa* are found there. Unfortunately, in Columbia as in Africa, in almost all the districts where rubber grows, the native *caucheros* ruthlessly exploit the plantations which they impoverish. Severe measures have been taken for the protection of these plants, and these, together with the formation of new plantations, will undoubtedly reconstitute this important source of wealth.

The rubber exports in 1908 only amounted to 324,031 gold pesos, but in 1912 they had risen to 636,427, pointing to a notable increase in production.

Sugar cane. — This crop is raised more especially in the valley of the Cauca, though it could be cultivated profitably throughout the low lying districts of Columbia more especially along the sea coast. The fertility of the soil and the abundance of water-courses mark out Columbia as destined to hold a foremost place in the ranks of sugar-producing countries.

Tobacco. — Tobacco is raised in the tropical zone ; is some districts, notably in the valley of the Magdalena, the leaf is of excellent quality and can rival the Cuban tobacco. A large portion of the cigarettes sold in Europe as Havanas come from Ambalema, the centre of the tobacco-growing district on the upper Magdalena.

Coffee. — Coffee is one of the main products of Columbia. It grows in the temperate and in the tropical zone, more especially in the valleys of the Cauca and the Magdalena, and on the slopes of the Sierra Nevada of Santa Marta. The quality of Columbian coffee is generally excellent and therefore finds a ready market. Coffee plantations are already one of the chief branches of agriculture in the country and are gaining in importance from year to year. This is evidenced by the fact that in 1912, without taking into consideration the home consumption which is very large, 16,777,908 gold pesos of coffee were exported, or more than half the value of the total exports of the Republic.

Cereals. — Wheat, barley, and maize grow on the table-lands of the cold zone ; but this form of farming is little developed, and the consumption purely local. The same may be said of the fruit and vegetable crops. With a view to introducing new varieties and encouraging this branch of farming, the Government enacted in 1909 that seeds and plants imported by travellers landing in the country should be entered duty free up to the weight of 5 kgs.

Stock-breeding. — This industry already occupies a place of some importance in the national economy of Columbia, and is likely to gain ground from day to day thanks to the scientific selection of breeding stock and the more thorough utilisation of natural meadow lands. There is a considerable area of land suited to stock-breeding situated along the valleys of the great rivers, the slopes of the table-lands, and the vast south-eastern plain.

At present stock-breeding flourishes more especially in the valleys of the Magdalena, and of the Cauca, and on the extensive slopes of Bogotá, Ubaté, Chinquinquira and Somagoso, where as a result of careful breeding with animals of the Durham and Dutch breeds a strain has been obtained possessing excellent powers of resistence, suited both for fattening and for dairy purposes.

Horse-breeding is carried on side by side with that of cattle ; sheep and goats are raised on the central and western Cordilleras.

Beyond these districts lies a region where stock-breeding forms the basis for economic development : this region is the vast savanna of Meta. On these 16 million hectares of territory there are about 5 million head of live-stock ; but competent authorities believe that by developing the cultivation of grass-land and by irrigation over 30 million head of cattle could

be raised in this region. The meat of the animals bred here is of excellent quality.

At present practically no live-stock is exported from Columbia ; although the north-western region, situated at the foot of the Sierra Nevada of Santa Maita, sends a certain number of animals each year to Cuba and Panama, where they are slaughtered. Undoubtedly when a better system of irrigation has improved the pasture lands of Columbia, and when means of communication for the transportation of live-stock and frozen meat are provided, the export trade in these products will become of great importance for the country. The export of hides and skins in 1912 exceeded in value 2,661,721 gold pesos.

(4) *Forests.* — As we have already said a great variety of valuable timber grows in the forests of Columbia. In those of the tropical zone there is a plentiful supply of timber for building purposes, as also of the most valued hard-woods such as cedar, guaiacum, oak, ebony, etc. In the temperate zone agaves and tree-ferns prevail, also rubbers, the Peruvian bark-tree, and many varieties of palms and other species. In the cold zone grow European trees, such as the walnut, the pine, and so forth.

Forest industries are undeveloped in Columbia owing to the difficulty of transportation ; but they could easily become one of the leading factors in the economic development of the country. This has been realised by the Government which, by a decree of August 13th., 1908, regulated the exploitation of the forests belonging to the State. This decree enacted that " the forests containing valuable species such as the *tagua*, the Peruvian bark-tree, rubber plants and other kinds of timber which can be easily exported and on which the Government has a right of reservation shall be considered as belonging to the State ."

As a rule the Government stipulates contracts with private parties for the exploitation of its forests. No concession may be made for more than 20 years, and the maximum area is 3,000 hectares. One person or company may however, obtain several such concessions, provided they are separated by forests covering at least a like area.

The concessions are made exclusively for the exploitation of specified trees. A contractor for the exploitation of a certain kind of timber cannot touch other species unless he obtains a further permit.

Concession valid for one year and renewable for another year may also be granted for the working of lots of 500 hectares in extent.

Trees may only be felled when they are fully grown, and it is expressly forbidden to fell young trees or to cut shoots which could be used for reproduction. It is also forbidden to peel off the bark of unfelled trees.

A bill recently introduced by the Minister of Public Works provides that plantations of rubber, tagua, Peruvian bark, and other valuable trees suited for exportation, or producing resin, oils, and other exports, shall be considered as national forests not subject to sale by auction as land given in free grant. This bill provides that the area of forests let to a single person or company may not exceed 5,000 hectares ; that the maximum duration of

the lease may not exceed 30 years; and that the annual rent shall be equivalent to 7 % of the total yield of the concession.

§ 3. The labour supply and colonisation.

The above shows that only a small portion of the wealth of Columbia is at present put to productive use, although this country is one of the most favoured by nature.

The general causes for this state of affairs are many and complex; in the first place we may mention defective and primitive methods of work both in the domain of industry and of agriculture. But as far as agriculture is concerned, backward development is due, in the first place, to lack of labour.

As we have seen, the density of the population is very low (4 inhabitants per square kilometre) whilst internal political troubles have stood in the way of directing towards Columbia the currents of emigration which have done so much to develope the natural resources of other South American countries. Of course the labour supply being indequate to meet the demand, wages are very high, and both labour and private capital prefer to seek employment in industries which yield more immediate results than agriculture.

This state of affairs, which has hindered and still hinders so greatly the economic development of the country, has been a source of grave anxiety to the Government which has not failed whenever possible to take steps to counteract as far as possible the effects of this lack of hands, even though unable completely to solve the difficult problem.

The measures taken may be classified in three groups: (1) the encouragement of immigration; (2) free allotment of uncultivated lands (baldíos); (3) the evangelisation and education of the savage tribes.

Encouragement of Immigration. — The Columbian parliament has constantly busied itself with the important question of immigration. Several laws passed in 1871, 1872 and 1873, seem to aim more at increasing the population of the country than at developing its resources. For instance, art. 6 of the law of 1871 authorised the executive authority to grant to immigrants as much as 25 hectares of land per individual. Law 65 of 1887 granted certain exemptions to foreigners, whether farmers or artisans; law 117 of 1892, still in force, aims chiefly at increasing the labour supply. It authorises the executive power to introduce into the country by all means which it may deem suitable, labourers for the coffee and sugar plantations and for the other farming and mining industries. With this end in view, the Government can negotiate with employers for the purpose of recruiting the requisite labour, and it is its duty to see that the conditions of the contract are strictly observed. One third of the expenses incurred in connection with such immigration schemes are reimbursed to the Government by the employers.

To make these measures more effective the same law established a Commission presided over by the Minister of Agriculture, and consisting

of four farmers, two appointed by the Government and two others by the employers requiring workmen. An annual grant of 150,000 pesos has been set aside for carrying out these measures.

Besides these immigration laws, Columbia has passed others to facilitate foreigners settling in the country. Foreigners are placed on the same footing as native-born citizens for the acquisition of all descriptions of real and personal estate. Here we shall only refer to the measures touching land which can be obtained as free grants " by farmers who have carried out improvements or who have cultivated crops on the land which they wish to acquire. " This mode of acquiring possession would seem preferable for foreigners to that which consists in making a claim as an immigrant: for, besides other drawbacks inherent in this system, the immigrant is not allowed to select the land granted him. At the start he is subjected to certain restrictions, and he may find it impossible to enlarge his holding if it be bounded by other grants. Moreover, the immigrant is subject to certain special regulations, whereas the mode of acquiring possession which we shall now explain leaves the owner entirely free and ensures to him the greatest advantages.

Free Grants of Uncultivated Land. — To promote agricultural development in the early days, lots amounting to 10 fanegas of land (1) and more were granted to every *granadino* who settled on uncultivated soil.

Laws enacted in 1874 and 1882 provided that anyone who would undertake the cultivation of untilled soil should acquire property rights in the same. Consequently, Columbian or foreign farmers who do not declare themselves immigrants, can avail themselves of a very practical means of acquiring free possession of uncultivated land. They need only take possession of the same and cultivate them, and then claim them as a free grant.

M. Simon Araujo recently introduced a bill specifying the conditions on which such free grants will be made. This bill provides for the establishment of villages and centres of colonisation. The following are the main features of the proposal.

Free grants of from 2 to 50 hectares of uncultivated land may be made to farmers occupying the same on the following conditions :

(1) The lot must be occupied by at least three persons under 70 years of age ;

(2) One third at least of the lot must be cultivated during the first year of occupation ;

(3) During the first three years a house must be built by the occupants.

The settler who has cultivated one third of his allotment will receive from the Government a milch cow of which he will become the owner at the end of two years if he has continued to cultivate the land during this period.

The proposal goes on to deal with *collective settlement* by groups of at least 25 families. In such cases the Government may grant as much as

(1) a *fanega* = 64.6 ares.

50,000 hectares of uncultivated land on certain conditions. The settlers must undertake to begin working the land not later than one year after the grant has been made; they must provide healthy housing accomodation for their labourers, along with adequate board, and medical attendance in case of sickness or serious accident. Children under 12 years of age may only be employed on domestic work; the hours of work must not exceed 7 for women and 9 for men. The settlement must place at least one settler on each 5 hectares of land, furnishing him with certain supplies and with a milch cow.

The proposal also provides for the establishment of a scientific commission to study the conditions of economic development in the districts of Chocó, Darien, Ariguari, and Cararé. As a measure of propaganda, wide publicity is to be given to the report of this commission both at home and abroad.

Apart from this proposal many schemes have been suggested for colonising the country, one of them providing for the settlement of groups of from 5 to 10 families who should form the nucleus for a more extensive group consisting of from 50 to 100 households. Schemes have also been advocated for settlement by companies possessing adequate capital to bring under cultivation large areas of land. Such companies would be required to undertake the construction of roads, which would enrich the national resources.

Evangelisation and Education of Savage Tribes. — By the side of and as a complement to these schemes for colonisation, Columbia has to face the problem of civilising the savage tribes inhabiting the Republic. Besides being scanty, the population in certain districts consists of native tribes, still in a primitive condition, who, instead of being of assistance are an obstacle in the way of the general development. This state of affairs exists more especially in the territory of Meta. Meta proper occupies the northern section of the vast eastern plains, the southern part of which includes the almost unexplored territories of Putumayo, Caqueta, and Vaupes.

The census of 1912 returns the population of this region at 3,559 civilised inhabitants, and estimates at 50,000 the number of Indians in a state of savagery.

The administrative district of Meta, bounded to the south by the Guayavero and to the east by the Orinoco, is subdivided into three provinces, Villavicencio, San Martin, and Oromé.

When we bear in mind that the climate of this region, generally hot and damp, with sudden changes of temperature, is unfavourable to the development of white colonisation, and that certain rebel tribes also stand in the way of settling the country, the importance of civilising the Indians as a step towards the economic development of this section will be readily understood. The Indians may be divided into two classes: one includes all the tribes which go under the name of Caribs, who are savages in the fullest sense of the word. To these tribes, the fiercest of which are the Cuivas, belong the Guahibos, who have begun to come into contact with the whites. The second class includes all those tribes which have acquired some degree

of civilisation; they are descended, as a rule, from the aboriginal inhabitants of this region who even before the Spanish conquest possessed a relatively advanced civilisation, and who were dispersed by the conquerors, that is to say, first by the Caribs, and then by the whites. These Indians, more timid and resigned than ill intentioned, could rapidly rise to a certain degree of civilisation if they were treated with humanity and kindness, more especially if they were adequately protected against the methods of unscrupulous whites. To civilise the other tribes will be a task demanding much time, patience and self sacrifice.

The method now followed consists in sending out missionaries and in opening schools. When the Caroni missions were founded under the Spanish domination, their head was invested with a large measure of authority. The missionary was both administrator and judge, and was invested with special powers for settling disputes which might arise among the natives. The results obtained exceeded all the expectations and hopes of the founders, and in a relatively short period of some twenty years, 29 native villages made act of submission to the head of the mission. Unfortunately, the wars of independence destroyed this work and led to the dispersion of the subject tribes.

The present Government has decided to adopt the system of missions to which it grants full administrative authority. "The national archdiocesan committee of the work of the missions in Columbia", with headquarters at Bogotá, has the duty of co-ordinating the work of these missions. Besides the large private donations which they receive, the Government, in accordance with the law of September 18th., 1912, made the Committee an annual grant of 100,000 gold pesos from January 1st., 1913.

It is the duty of the missionaries to evangelise and educate the native tribes. The educational work of the missions is divided into 6 sections corresponding with the territories in which they operate: Goajira and the Sierra Nevada, Casanare, San Martín, Caqueta and Putumayo, Tierradentro and Chocó.

The following figures showing the number of schools and pupils in these scholastic districts are taken from the report presented to Congress in 1912 by the Minister of Public Instruction:

	Number of Schools	Number of Pupils
Goajira and Sierra Nevada	15	565
Casanare	11	604
San Martín	23	395
Caqueta	25	1.171
Tierradentro	16	788
Chocó	16	1.[illegible]
Total . . .	106	4.[illegible]

Spite of the efforts and sacrifices made, it would seem that these missions have not secured the results hoped for. According to the bishop of Dibona this is largely due to the conduct of the civilised people themselves, who not infrequently ill-treat the Indians in the most brutal fashion; in fact, it is most urgent to appoint a guardian for the Indians to whom they may appeal for protection against the excesses to which they are exposed. The necessary protective measures are now being studied. One of the most recent projects is for the establishment of centres of colonisation peopled by married soldiers to whom grants of land and cattle would be made. These settlers could build roads and prepare the ground for the settlement of the native tribes and for white immigrants. Each settlement would be provided with a school under the direction of a missionary, who would have under him lay teachers who could instruct the natives in certain trades. The school would also be provided with a doctor and an inspector, entrusted with supervision over dealings with Indians and the employment of workmen, so as to protect them against deception and abuses.

*
* *

The brief review we have here given clearly shows that the vital problem for the economic development of Columbia is that of providing an adequate supply of labour, and this in the domain of agriculture covers the question of colonisation.

In view of its scanty population the authorities of Columbia can only solve the question of agricultural colonisation by having recourse both to immigration and to the training and education of the native tribes still in a state of primitive savagery. Although internal troubles until recently prevented the Government from pursuing a systematic and uninterrupted policy in these matters, the efforts which have been made and the proposals now being studied are such as to justify the hope that before long Columbia will attain that degree of economic development to which its unrivalled natural resources entitle it, and which depends exclusively on their wise utilisation.

RUGGERI ALFREDO, gerente responsabile.

INTERNATIONAL INSTITUTE OF AGRICULTURE

BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

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Part I: Co-operation and Association

CANADA.

AGRICULTURAL CO-OPERATION IN SASKATCHEWAN IN 1914.

SOURCES (OFFICIAL):

FIRST ANNUAL REPORT OF THE CO-OPERATIVE ORGANISATION BRANCH, 1914. Regina: Government Printer. 1915.

THE AGRICULTURAL CO-OPERATIVE ASSOCIATIONS ACT AND STANDARD BYLAWS. Regina: Government Printer. 1914.

AN EXPLANATION OF THE PROVISIONS OF THE AGRICULTURAL CO-OPERATIVE ASSOCIATIONS ACT OF SASKATCHEWAN. (*Leaflet*). Regina: Government Printer. 1914.

CO-OPERATIVE LIVE STOCK MARKETING. Regina: Government Printer. 1914.

§ 1. THE AGRICULTURAL CO-OPERATIVE ASSOCIATIONS ACT OF 1913.

For a number of years before 1913, local grain growers' associations in Saskatchewan had been doing a fairly large business in the purchase and distribution of general farm supplies such as binder-twine, building and fencing material, flour and feed-stuffs. The business in most cases was extremely successful, but as the associations concerned had no real legal status it was being conducted upon a somewhat insecure basis, and many of the well-to-do and more cautious farmers in the province hesitated to take part in it. There was gradually formed a consensus of opinion in favour of legislation which would place purchasing associations in a definite legal position by giving them the right of organising as limited liability societies. The Provincial Legislature was in full sympathy with the movement in favour of co-operation, and in the session of 1913 passed the Agricultural Co-operative Associations Act which gave full effect to the wishes of the Saskatchewan farmers.

The Act provides for the constitution and working of associations " for

the purpose of producing, purchasing or selling live stock, farm products or supplies on the co-operative plan." Any five or more persons may sign articles of agreement and form an association, and when the articles have been approved by the Registrar of Agricultural Co-operative Associations (whose appointment is provided for in Section 3 of the Act) and a fee of $ 4.50 paid to him, the association may begin to do business. The purposes for which an association is formed must be clearly stated is the articles, and the association may undertake only such business as is connected with the purposes so stated. The chief provisions of the Act with regard to the capital and shares of associations are textually as follows:

" The capital of every association under this Act shall be such an amount and divided into shares of such denomination as may be set forth in the memorandum of association. Such capital may be increased or decreased from time to time by bylaw of the association. (*Sec.* 7)

" At least seventy-five per cent. of the shareholders of every association shall be agriculturists. (*Sec.* 8)

" The shares may be payable by instalments at such times and in such manner as may be determined by bylaw. (*Sec.* 9)

" No shareholder shall receive interest on any but the paid-up portion of his share. (*Sec.* 10)

"Shares may be assigned or transferred or may be repurchased by the association : Provided that no such assignment, transfer or repurchase shall be valid unless and until approved and authorised by the directors ;

Provided, further, that no such assignment, transfer or repurchase shall be approved or authorised by the directors if it would reduce the total number of shareholders below five or the number of agriculturists below seventy-five per cent. (*Sec.* 11)

" Every shareholder shall be individually liable to the creditors of the association for debts and liabilities of the association to an amount equal to the amount unpaid on the shares held by him and until the whole amount of his shares has been paid up, but no shareholder shall be liable to an action in respect of such unpaid balance until an execution at the suit of the creditor against the association has been returned unsatisfied in whole or part (*Sec.* 12)

" Every association shall have a lien on the shares of the individual shareholders for debts due from them to it. (*Sec.* 13)

" At association meetings a shareholder shall have one vote only, regardless of the number of shares held by him, and no shareholder may vote by proxy." (*Sec.* 14)

The distribution of profits is governed by Section 18 of the Act which reads thus :

" The directors shall apportion the profits arising from the business of the association as follows :

(*a*) By setting aside not less than ten per cent. of the net profits for a reserve fund until an amount has accumulated in such fund equal to at least thirty per cent. of the paid-up capital stock ;

(*b*) By paying interest on the paid-up capital stock at a rate not exceeding six per cent. per annum ;

(*c*) The remainder of the profits shall be divided among the patrons of the association, whether shareholders or not, in proportion to the volume of business which they have done with the association:

Provided, however, that when the supplemental bylaws of the association so specify, the dividend due to any patron who is not a shareholder may be retained by the association and credited to the account of such patron on account of capital stock until an amount has accumulated equal to the par value of one share; when such sum has accumulated a stock certificate for one share shall be issued to the patron and he shall thereafter share in the dividends as do other shareholders."

Under Section 6 of the Act, the Registrar appointed was required to draw up a set of "standard bylaws" to apply without distinction to every registered association, and under the same section each association was empowered to pass supplementary bylaws which, if approved by the Registrar, would be binding upon the members.

In accordance with the provisions the Registrar drew up a set of bylaws which received the approval of the Lieutenant Governor on January 8, 1914, and which in consequence now form an integral part of the Act. The standard bylaws regulate the usual matters, — *e. g.* time place and manner of calling ordinary and extraordinary meetings ; election of officers ; powers of directors and procedure of directors' meetings ; duties of the president, the secretary-treasurer and the auditor.

Two conditions of considerable importance are imposed by the Act upon associations for sale and for purchase and sale. The business of such associations must be conducted for cash and, so far as it consists in the purchase of supplies, is limited to commodities which may be shipped in carload lots and distributed from a warehouse. Associations are not authorised to conduct retail stores. Upon this latter point, however, — the business of dealing in supplies, — the provisions of the Act do not seem to be quite clear. An association may purchase and sell "farm products or supplies," and "supplies" are defined as "building and fencing material, fuel, flour, feed and such other commodities as may be shipped in car lots and distributed from a warehouse." (*Sec.* 2) This would seem at first sight to have the effect of compelling the association to purchase *each commodity* only in carloads, but an official pamphlet in explanation of the Act states clearly that a carload may be made up of several different kinds of goods. As a matter of fact it is open to doubt whether the clause quoted above, when strictly interpreted, really places any limitation upon the power of an association to deal in farm supplies. It is true that the definition of "supplies" states clearly that "the word shall not be interpreted as applying to a retail business," but unfortunately the term "retail business" is by no means clear, and it is nowhere defined in the Act.

§ 2. Co-operative associations under the act.

The Act was passed in December, 1913, and its administration was placed in the care of the Co-operative Organisation Branch of the Department of Agriculture at Regina. The first association to register was the Juniata Co-operative Association, Limited, registered on February 2, 1914, with an authorised capital of $10,000 divided into 400 shares of $25 each. By the end of the year the number of associations registered was 113, of which, however, only 102 had sent in returns to the Registrar by December 31.

The number of shareholders in the associations making returns was 2,850; total paid-up capital, $13,494; total assets, on December 31st, $37,337; and total liabilities (including paid-up capital) $29,717. The average amount of authorised capital per society was $6,843 and the average nominal value of the shares issued was $23.

The co-operative purchase of farm supplies is by for the most important business undertaken by the associations. Seventy out of the 102 registered associations which made returns, engaged in this branch of co-operation, and purchased farm supplies (building and fencing material, binder-twine, lubricating oils and gasoline, fruit, flour, feed, wood and coal) to the value of $239,320. Three associations engaged only in the sale of live stock for their members, while six others sold live stock in addition to carrying on some other business. The total value of the live stock sold by the nine associations was $42,034, and general satisfaction was expressed with the results. The Registrar of Co-operative Associations looks forward to a very great development of this branch of co-operation in 1915.

§ 3. Other co-operative enterprises in saskatchewan.

In addition to the associations registered under the Act of 1913 there are various other co-operative enterprises in the province which call for at least brief notice. We shall deal here with, (*a*) Co-operative Creameries; (*b*) the Saskatchewan Elevator Company; (*c*) the Wholesale Trading Department of the Saskatchewan Grain Growers' Association. Another co-operative enterprise, represented by the work of the Saskatchewan Hail Insurance Commission, was dealt with in Part II of the *Bulletin* for August, and need only be mentioned here.

(a) *Co-operative Creameries.*

The first co-operative creameries in the province date back to 1896, — some nine years, that is to say, before Saskatchewan was raised to the dignity of a province of the Dominion of Canada. Three creameries were established in 1896 through the efforts of Dr. J. W. Robertson who was

at that time Dominion Dairy Commissioner. In 1905, when Saskatchewan become a province, there were six co-operative creameries in existence, and when the Provincial Dairy Branch of the Department of Agriculture was organised in 1906, all six placed themselves voluntarily under the management of the Provincial Dairy Commissioner. Apparently the creameries from that time onward became in effect Government enterprises. "Under this arrangement" — we quote from the *First Annual Report of the Co-operative Organisation Branch* — "the Dairy Branch engages the managers, purchases all supplies, keeps the accounts, markets the produce and pays the patrons. From the first this plan has been found very satisfactory. The supplies such as boxes, salt, etc. being purchased in large quantities are secured at considerably reduced prices. Better returns are received for the butter, first, because through the employment of competent managers better quality is secured, and second, because all competition for a market between the creameries has been eliminated. As the industry develops, new co-operative creameries are established only where there is sufficient dairy stock to ensure economic operation and the Government undertakes to pay all express charges on cream shipped to Government operated creameries, so that persons living at a distance are at no disadvantage thereby."

In the summer of 1914 there were thirteen creameries in Saskatchewan working on the plan just described. The following table shows the development of this branch of co-operation since 1907.

Co-operative Creameries in Saskatchewan, 1907-1914.

Six Summer Months				Six Winter Months			
Year	No. of Creameries	No. of Patrons	Pounds of butter made	Year	No. of Creameries	No. of Patrons	Pounds of butter made
1907	4	213	66,244	1907-8	4	113	21,588
1908	5	553	220,282	1908-9	5	182	31,286
1909	6	876	342,404	1909-10	6	358	45,599
1910	7	1,166	462,221	1910-11	4	456	64,635
1911	9	1,596	703,583	1911-12	9	539	87,252
1912	10	1,755	649,958	1912-13	8	956	113,489
1913	11	2,681	850,525	1913-14	8	1,677	237,500
1914	13	3,625	1,161,230	—	—	—	—

(b) *Saskatchewan Co-operative Elevator Company.*

The Co-operative Elevator Company (1) was established in 1911 upon the recommendation of a Royal Commission which had been appointed in 1910 to enquire into matters affecting the grain trade. The Company was formed to enable the farmers to free themselves from what they asserted to be a monopoly exercised by grain dealers and combinations of grain dealers in Western Canada. It has power "to construct, acquire, maintain and operate grain elevators in Saskatchewan, to buy and sell grain, and generally to do all things incidental to the production, storing and marketing of grain." The amount of the share capital is not fixed: the shares have a nominal value of $ 50 and no one may hold more than twenty shares. The general management is in the hands of a Board of nine directors, and each elevator acquired or built by the Company has a local Board of Management consisting of five shareholders. Upon certain conditions the Government advances a large part of the capital required for each local elevator, loans from Government being repayable in twenty equal annual instalments with interest at 5 per cent. Any number of shareholders in a particular locality may request the Company to buy one of the elevators at the local shipping point or build a new one, but before taking any action the Board of Directors must be satisfied that the amount of shares held by the supporters of the proposed local elevator is at least equal to the value of the proposed elevator; that fifteen per cent. of the amount of such shares has been paid up; and that the aggregate annual crop acreage of the said shareholders represents a proportion of not less than 2,000 acres for each 10,000 bushels of elevator capacity asked for. The growth of the Company has been rapid, as may be judged from the following table.

Growth of the Saskatchewan Co-operative Elevator Company.

Year	No. of Shareholders	No. of Elevators	Grain handled through elevators	Grain handled on commission
			Bushels	*Bushels*
1911–1912, ...	2,597	46	3,261,000	—
1912–1913.	8,962	137	12,899,030	12,761,686
1913–1914.	13,156	192	19,465,290	19,290,531
1914–1915*	14,922	215	12,344,000	11,000,000

* To March 1, 1915.

(1) See an article "The Saskatchewan Co-operative Elevator Company" in the *Bulletin* for June, 1914, pp. 9-12.

The last annual report of the Company, for the year ending July 31, 1914, shows that the authorised capital at the end of the year was $ 2,000,000, the subscribed capital $ 1,911,800, the paid up capital $ 382,461, and the profit on the year's working $285,181.

(c) *The Wholesale Trading Department of the Saskatchewan Grain Growers' Association.*

The Saskatchewan Grain Growers' Association is the organisation which has been chiefly instrumental in securing legislation in favour of co-operative methods in agriculture in the province. The Association led the agitation which resulted in the formation of the Co-operative Elevator Company, and in fact organised the Company and at the start directed its activities. Later on the Association, which is itself incorporated under a special Act of the Provincial Legislature, secured the enactment of the Agricultural Co-operative Associations Act, with which we dealt above. In the same session of the Legislature — that of 1913 — an amendment to the Act incorporating the Grain Growers' Association was passed, which gave the Association power to act as a purchase and sale agency of registered co-operative associations, and in 1914 a second amending act authorised it to act in the same capacity for the local grain growers' associations in the province. The association has already developed an extensive wholesale trading business and in the 1914, the first year of its working, bought and sold a very large number of commodities, — binder-twine, 635,750 lbs., flour 4,549 sacks, coal 17,400 tons, apples 13,910 barrels, potatoes 35,000 bushels, oats 77,179 bushels, and (in smaller quantities) fence wire and posts, lumber, metal roofing, wood, corn, fresh fruit, vegetables and groceries.

§ 4. A GOVERNMENT EXPERIMENT IN THE CO-OPERATIVE SALE OF WOOL.

For some time past, sheep farmers in the Canadian West have been dissatisfied with the prices which they have been receiving for wool, and in order to ascertain where the fault lay the Saskatchewan Department of Agriculture conducted a special enquiry towards the end of 1913. It was found then that for the last season's clip the owners of large flocks (from 200 to 10,000 head) had received 13 cents a pound for wool, while the smaller sheep farmers had received only from 10 to 12 cents a pound. It was found also that there were two principal reasons for this, — small consignments of wool were usually badly prepared for the market, and they usually paid higher freight rates and yielded higher profits to small local dealers.

In the season of 1914 the Co-operative Organisation Branch of the Department of Agriculture carried out an interesting experiment in collective

or co-operative selling with the object of showing the owners of small flocks how to obtain better prices for their consignments of wool. The Branch undertook to act as selling agent for such producers as agreed to prepare, pack and consign their wool according to instructions furnished them by the Department of Agriculture. The Branch also supplied suitable twine and paper-lined sacks for packing the fleeces, at cost price, to the producers who took advantage of the offer with respect to selling.

One hundred and eighty farmers joined the scheme, and between June 20 and July 1, 1914, consigned their wool to the Co-operative Organisation Branch at Regina. The whole consignment amounting to 69,404 pounds was sold through a firm in Boston, Mass., at the price of 17 3/4 cents a pound, f. o. b. Regina. The net price received by the producers varied, according to the size of the consignments and the cost of carriage to Regina, from 16 1/4 to 17 cents a pound. The experiment was considered highly successful. Not only were the inmediate returns very satisfactory, but there was also a lasting result in a general improvement in the quality of the wool shipped out of all parts of the province.

We have thought it wise to distinguish between this Government scheme of co-operative sale and the other co-operative enterprises in Saskatchewan. It is probably intended that official management of the scheme shall be in the nature of a temporary measure only, and that the producers who are to benefit by co-operative selling shall, after a comparatively short time, establish, maintain and control their own central agency. If it be intended that a Government Department shall continue indefinitely to act as a co-operative selling agency, the scheme is open to criticism upon several grounds. No useful purpose, however, would be served by examining too critically a scheme which is at present frankly only an experiment.

RUSSIA.

PROGRESS OF CO-OPERATION IN FINLAND BETWEEN 1909 AND 1915 AND THE PRESENT SITUATION.

§. 1. Finland considered in regard to the general progress of co-operation.

If we rank the various countries of Europe according to their comparative wealth in co-operative organizations, we shall find that Finland comes second on the list as regards the number of members of co-operative societies and fourth as regards that of the societies themselves, in both cases, in proportion to the inhabitants of the country. In fact, the number of individuals belonging to the various co-operative societies is in Finland 10 % of the total population, and in this respect Finland only yields to Denmark, where the proportion is 25 %. In regard to the number of co-operative associations, Finland, which has one per 1,400 inhabitants, is only surpassed by Switzerland (1 society per 500 inhabitants), Denmark (1 per 600 inhabitants) and lastly by England (1 per 1,100 inhabitants) (1).

This extraordinary development of co-operation in Finland is the more remarkable as the " Country of the thousand lakes " is incontestably one of those to which the principles and above all the practice of co-operative association last penetrated. The oldest association founded on these principles (a co-operative distributive society) dates indeed from 1889, but its foundation was an isolated effort and in the next ten years hardly a dozen societies of the class were founded in the whole country. The progress of Finnish co-operation properly speaking only began with the first years of the present century, or, to be more exact, with the constitution in 1899 of the " *Pellervo, Society for the Advance of Rural Co-operation in Finland.* "

The readers of this Bulletin are already acquainted with the early history of this remarkable society, the ends it pursues, as well as the results of its work in the field of co-operation up to about 1909 (2). We shall now

(1) See Gebhard (Hannes) : *Huvuddragen af Andelsverksamheten i Finland* (Chief Characteristics of the Co-operative Movement in Finland) Helsingfors. Pellervo Society, 1915. p. 49 It is from this work only quite recently published (June 1915), we derive most of the information we reproduce in this article.

(2) See in the number of this Bulletin for September 1911, p. 60 the article entitled " Agricultural Co-operation in Finland ", (§ 1 The Birth of Agricultural Co-operation in Finland and the Pellervo Society).

give a general idea of the work accomplished since then, and the results attained, or in other words, the state of Finnish co-operation at the beginning of the present year.

§ 2. The " pellervo ".

The five years that have passed since 1909 have scarcely made any changes in the organization and composition of the " Pellervo ". The number of members, which was 1,402 in 1909, has slightly decreased; it is now 1,267 ; that of the officers of the central office has on the other hand increased from 21 to 23. In consequence of difficulties it does not come within the scope of this article to discuss, the annual subvention granted by the State to the Society, which had increased gradually between 1899 and 1911, from 20,000 to 87,000 Finnish marks (1), has since the latter date been little by little reduced. In 1912 it was still 81,000 marks. In 1913 it had decreased to 74,500 marks, and in 1914, finally, it was only 74,000 marks. On the other hand, the subsidies voted to the " Pellervo " by the co-operative societies and central institutions have increased. In 1903 they amounted altogether to 3,500 marks; in 1909 they had reached the amount of 7,300 marks ; and in 1914 they amounted to 15,400 marks, thus completely making up for the reduction of the annual State subsidy.

During the period we are considering the " Pellervo " passed through a very serious crisis. The excellent results obtained by co-operation in Finland at the first had caused, above all in the rural classes, an infatuation for this kind of association. In spite of the warnings of the " Pellervo " there was too much haste. Co-operative societies were founded without sufficient consideration, without enough attention being paid to the model rules and regulations drafted by the " Pellervo ", and sometimes, not even to the provisions of the law on associations (2). These societies were placed under the management of persons who had not sufficient preparation and sometimes neglected the most elementary principles of business management. This naturally led to difficulties, which, complicated by the general economic crisis through which the whole country passed between 1908 and 1910, caused numerous failures among the societies.

The adversaries of the co-operative movement profited by this and endeavoured to persuade the public that the cause of the evil was to be attributed to the principles of co-operation themselves. Many let themselves be convinced and in the co-operative societies there were more and more cases of defection.

(1) The Finnish " Mark " of 100 " pennis " (not to be confounded with the German Mark), which in this article we shall simply call " Mark " (official abreviation Fmk. in Swedish and Smk. in Finnish) is exactly equivalent to one franc.

(2) With regard to this law, also due to the initiative of the " Pellervo ", promulgated on July 10th., 1901, see the above article in our number for September, 1911.

These circumstances had a considerable effect on the work of the "Pellervo." Abandoning for the moment all propaganda in favour of further extending the number of the societies, it, actively seconded by the central institutions already founded, concentrated all its attention on the investigation of the causes of the evil and all its efforts on the remedies to be applied.

In 1909 a "Co-operative Institute" was founded at Helsingfors to provide the associations with capable trained officers. A special review was started, the "Suomen Osuustoimintalehti" (Review of Finnish Co-operation), supported and edited by all the central institutions of the country together, strictly for purposes of instruction and education, and this review was distributed free of charge to all the co-operative societies. Finally very severe measures were taken with a view to the general reorganization of the existing associations, and a permanent careful and effectual supervision of their work (1).

This energetic action soon gave the results desired. As we shall see in the following pages, the crisis may be considered as having been definitely passed in 1911. So the "Pellervo" was able, without relaxing its beneficent action of supervision and inspection, gradually to resume its work in favour of the extension of co-operation in Finland, purged of its defects and regenerated.

A small detail will show more clearly than long discussions the rôle played by this energetic society in educating the people in regard to co-operation. In the fifteen years of its existence the "Pellervo" has spent solely on printing co-operative manuals, tracts, programmes, model rules, instructions and other publications of the kind, a total amount of 1,200,000 marks, and the papers thus printed it has distributed free of charge, for a value of 150,000 marks.

§ 3. General state of co-operation in Finland on January 1st., 1915.

Whether owing to the enormous preponderance of the rural element forming about 86 % of the total population, or to circumstances it would take too long to consider here, it is more difficult in Finland than anywhere else to distinguish clearly between specifically agricultural and non agricultural co-operative societies.

If we consult for example the statistics relating to the class of co-operative associations, which in all countries of the world is considered as the least agricultural, that is the distributive societies, we find that of 419 of them existing in Finland in 1913, there were only 35 or 8.35 % in the towns,

(1) For further details see the article entitled: The Central Credit Institute of the Rural Co-operative Banks and Co-operative Credit in Finland (§ 7. Management, Supervision and Inspection of the Local Co-operative Banks), in the number of our Bulletin for February, 1914.

whilst the remaining 374 (91.65 %) worked in the country and of all the members of the Finnish co-operative distributive societies, only 12.9 % belonged to the industrial class, whilst the owners of farms represented 47.5 % and the agricultural labourers 26.9 % (1).

Under these circumstances, we are compelled to give up any too subtle distinction between agricultural and non-agricultural co-operative societies and to follow the classification adopted in Finland itself, based only on the general work of the associations.

Let us also add that the statistics at our disposal are derived principally from the entries in the "Commercial Register", in which, in conformity with the law of September 1st., 1901 on co-operative work, every newly founded association of the kind must register. Now in reality the entries in this register are far from being either accurate or complete. On the one hand, in fact, many small societies (they are estimated at *several hundreds*) neglect to register, and it is often impossible to obtain even the most elementary information in regard to their work. On the other hand, associations duly registered cease to exist, or fundamentally change their original character, without notifying the registrar. And so naturally new errors occur in the official statistics, which the detailed statistical reports prepared and published by the "Pellervo" do not always succeed in correcting.

So much said, we shall summarise here in a few general tables, the principal figures relating to the progress of Finnish co-operation from the start up to the present day, as well as its situation at the beginning of the present year.

(1) See GEBHARD (H) : op. cit. p. 60.

TABLE I. — *General Progress of Co-operation in Finland from* 1901 *to* 1915 (*Legally Registered Co-operative Associations*).

Years	Total Number of Registered Co-operative Associations	Classification of the Associations						
		Co-operative Distributive Societies	Co-operative Dairies	Co-operative Banks	Co-operative Agricultural Machine Thresher Societies	Co-operative Societies for Working Peat Moss Bogs	Other Classes of Co-operative Societies	Central Institutions
1901 . .	3	3	—	—	—	—	—	—
1902 . .	50	16	28	—	—	1	5	—
1903 . .	189	66	75	24	3	2	19	—
1904 . .	393	119	145	87	3	3	35	1
1905 . .	592	166	225	140	4	7	47	3
1906 . .	866	263	292	176	15	10	106	4
1907 . .	1,260	389	330	240	69	31	207	4
1908 . .	1,601	497	342	308	127	49	274	4
1909 . .	1,815	506	354	385	169	70	325	4
1910 . .	1,930	512	362	418	191	85	359	4
1911 . .	2,002	506	370	443	201	98	380	4
1912 . .	2,066	503	389	453	207	110	399	5
1913 . .	2,167	512	418	476	218	118	420	5
1914 . .	2,300	517	436	512	235	127	468	5

TABLE II. — *Total Number of Finnish Co-operative Societies.*

Years	Total Number	Kinds of Co-operative Societies.			
		Co-operative Distributive Societies	Co-operative Dairies	Co-operative Credit Societies	Other Classes of Co-operative Societies
1903	21,000	14,000	6,000	500	500
1904	37,000	22,000	12,500	2,000	1,000
1905	57,000	29,000	21,000	4,000	3,000
1906	89,000	50,000	29,000	5,000	5,000
1907	136 000	76,000	31,000	9,000	20,000
1908	170,000	95,000	33,000	12,000	30,000
1909	177,000	92,000	34,000	16,000	35,000
1910	179,000	87,000	35,000	17,000	40,000
1911	180,000	85,000	35,000	18,000	42,000
1912	188,000	87,005	37,000	19,000	45,000
1913	196,000	91,000	59,000	20,000	46,000

TABLE III. — *Total Business Done by Finnish Co-operative Societies from* 1903 *to* 1914 (*in Finnish Marks*).

Years	Total Amount	Amount for Each Class of Co-operative Societies				
		Co-operative Distributive Societies	Co-operative Dairies	Co-operative Credit Societies	Other Classes of Co-operative Societies	Co-operative Societies for Purchase of Seed, Manure etc.
					c.	c.
1903	11,000,000	5,000,000	3,500,000	200,000	300,000	2,000,000
1904	19,300,000	8,000,000	7,500,000	800,000	600,000	2,400,000
1905	30,500,000	12,000,000	13,500,000	1,500,000	1,000,000	2,500,000
1906	50,200,000	22,000,000	19,500,000	1,900,000	2,000,000	4,800,000
1907	72,800,000	37,000,000	21,000,000	3,700,000	5,000,000	6,100,000
1908	99,300,000	52,000,000	27,000,000	5,300,000	8,000,000	7,000,000
1909	99,200,000	50,000,000	28,000,000	6,200,000	8,000,000	7,000,000
1910	98,700,000	47,000,000	28,400,000	6,800,000	9,000,000	7,500,000
1911	111,300,000	52,000,000	33,000,000	7,300,000	10,000,000	9,000,000
1912	122,700,000	57,000,000	35,000,000	8,000,000	12,000,000	10,700,000
1913	133,900,000	63,000,000	37,000,000	8,900,000	13,000,000	12,000,000

TABLE IV. — *Funds of Finnish Co-operative Distributive Societies, Dairies and Credit Societies from* 1905 *to* 1914 (*in Finnish Marks*).

Years	Funds				Funds					
					Share Capital			Reserve Fund and other Funds		
	Total	Percentage of Debt	Average per Society	Average per Member	Total	Average per Society	Average per Member	Total	per Society	per Member
1905 .	1,319,553	17.6	3,282	33	851,753	2,119	21	467,800	1,163	12
1908 .	5,019,407	17.3	5,678	46	2,694,053	3,048	25	2,325,354	2,630	21
1911 .	9,269,615	28.6	8,688	74	4,192,151	3,929	33	5,077,164	4,759	41
1912 .	10,611,441	30.3	10,077	81	4,619,979	4,387	35	5,991,462	5,690	46
1913 .	11,792,886	31.6	11,032	88	4,825,627	4,514	36	6,967,259	6,518	52

Without discussing these tables in detail, as they are sufficiently clear in themselves, we shall now pass in review the different groups of co-operative

societies at present existing in Finland, following the order and classification adopted by the "Pellervo," that is to say grouping all the associations of this character under one or other of the following four heads.

(I) Co-operative Purchase and Distributive Societies (1),
(II) Co-operative Production and Sale Societies (2),
(III) Co-operative Credit Societies,
(IV) Miscellaneous Co-operative Societies.

§ 4. Co-operative societies for purchase and distribution.

The Finnish statistical returns include in this first group, three classes of co-operative associations, namely, co-operative distributive societies, properly so called, co-operative bakeries and restaurants, and, finally, co-operative purchase societies.

(a) *Co-operative Distributive Societies.*

We saw above (3) that co-operative distribution in Finland has a more "rural" character than in any other country. One of its greatest merits is that it has succeeded to some degree everywhere in ousting the country dealer, who, under pretext of credit, took dishonourable advantage of the peasant and generally ended in obtaining possession of his property. It is largely owing to these results that co-operative distribution has developed with a rapidity corresponding with the economic advantages it has bestowed on the country districts. At present (4) there are in Finland 512 officially registered co-operative distributive societies. They have altogether more than 100,000 members and the total amount of the sales made in their warehouses was 63,000,000 marks. The general average of the sales is 148,000 marks per co-operative society, but 75 of them sell more than 200,000 mks. a year, 10 of them more than 500,000 mks., 5 others more than 1,000,000 mks., and finally one (the Uleåborg Co-operative Distributive Society) in 1913 sold goods for a gross total of more than 2,000,000 mks.

The value of the shares varies from 10 to 20 marks, part being payable in monthly instalments. The supplementary personal liability of members varies generally from 50 to 100 Finnish marks per member, independently of the number of his shares.

(1) The associations of this character are designated in Finland under the name of "Commercial Co-operative Societies" *Osuuskauppa* in Finnish, *handelslag* in Swedish.

(2) In Finland the associations of this group are styled. "Co-operative Societies for the Utilisation and Sale of their Members' produce".

(3) See the beginning of § 3.

(4) That is to say on January, 1st., 1914, the date of the last *complete* statistical returns we possess.

At first, the total profits are utilised to increase the reserve fund. It is only after this fund has become sufficiently large to guarantee the solvency of the society, that the interest, which may never exceed 6 %, may be added to the share capital. If, after deducting the amounts placed to the share capital and reserve fund, there still remain funds available out of the profits realised, they may be distributed among members in proportion to the purchases made by each in the course of the year.

In those societies in which up to the present such a distribution has been possible, the dividend has varied from 2 % to 4 % of the amount of annual purchases.

Let us observe here that the Finnish co-operative distributive societies sell their produce indiscriminately to members and non members. The latter may even share in the profits, provided, however, that the dividend representing their share in the profits serves entirely as an instalment towards the cost of their admission as members (entrance fee and compulsory share). If this condition is not accepted, the individual loses all right to his share in the profits and it is paid into the reserve fund.

In the following table we give some figures showing the general progress of the Finnish co-operative distributive societies from 1901 to 1914.

TABLE V. — *Progress of Finnish Co-operative Societies from* 1901 *to* 1914.

Years	Number of Legally Registered Co-operative Societies	Number Actually Working			Funds in Thousands of Marks					
		Societies	Members (Thousands)	Sales (Thousands of Marks)	Number of Societies Furnishing Information	Gross Profits	Net Profits	Own Revenue	Goods in Warehouse	Real Estate
1901	3	7	1	300	—	—	—	—	—	—
1902	16	16	3	1,500	—	—	—	—	—	—
1903	66	75	14	5,000	50	422	132	198	932	95
1904	119	140	22	8,000	98	653	196	311	1,644	135
1905	166	165	29	12,000	142	957	354	540	2,868	261
1906	263	271	50	22,000	173	1,815	506	761	5,102	587
1907	389	378	76	37,000	211	2,305	935	1,188	8,663	1,274
1908	497	463	95	52,000	305	2,831	1,102	1,959	11,885	1,963
1909	506	161	92	50,000	362	3,530	1,048	2,707	12,330	2,600
1910	512	443	87	47,000	382	3,868	1,266	3,381	11,654	3,019
1911	506	437	85	52,000	376	4,360	1,613	3,910	13,008	3,173
1912	503	430	87	57,050	370	4,712	1,709	4,696	15,120	3,346
1913	512	419	91	63,000	360	5,162	1,876	5,397	15,703	4,097

In order the better to show the work of the Finnish co-operative distributive societies, let us add that in 1910 they founded their own Mutual Fire Insurance Society(" Tulenvata " in Finnish, Fire Risk Society), of which no less than 273 co-operative distributive societies were members in 1914. The funds of the society amounted at the end of that year to 128,000 Finnish marks, and the supplementary liability of the members to 400,000 marks, and the total amount assured was in round numbers 16,000,000 mks.

The Finnish co-operative distributive associations have associated in " Provincial Federations of Co-operative Distributive Societies " (1). A general meeting of the delegates of all these Federations meets annually to discuss questions of common interest for all the co-operative distributive societies of the whole country. Finally, these societies have founded a Central Institution, quite specially intended for the collective purchases of both the central and local associations. We shall consider the organisation and working of these central organs later on.

(b) *Co-operative Bakeries and Restaurants.*

Apart from a very large number, which, however, can not be accurately given, of bakeries established for their own use by co-operative distributive societies, there are at present only two co-operative bakeries properly so called, that is to say independent of any other association. One of them, the co-operative society " Elanto ", founded at Helsingfors in 1908,

TABLE VI. — *Progress made by the Co-operative*

Years	Number of Members	Value of Real and Personal Estate belonging to the Society	Staff	Number of Shops	Sales in Marks
1908	1,776	558,400	135	15	864,000
1909	2,046	604,600	189	20	1,128,000
1910	2,427	695,800	219	24	1,368,000
1911	2,800	1,111,700	317	33	1,763,000
1912	3,080	1,616,600	477	60	3,241,000
1913	3,579	1,761.600	525	65	4,102,000
1914	4,700	1,731,400	526	72	4,354.000

(1) See below.

deserves special mention for the really remarkable progress it has made. Exclusively a bakery at the start, this society has gradually extended its work, opening in turn creameries, cafés and people's kitchens. We give below a few figures to show the present situation of this interesting society.

The "Elanto" pays quite special attention to the comfort of its staff. In its bakeries there is no night or supplementary work allowed. The working hours are limited to forty eight a week, and this necessitates at the bakeries, and even more at the shops, a double number of employees relieving one another in turn. Every member of the staff has a right to two weeks' leave a year, on full pay. Doctors' attendance and medicines are provided free, not only for the employees but also for their families. This remarkable organisation has also a sick fund and a burial fund.

Let us further say that the society out of its profits also gives large assistance to charitable institutions and works of public utility.

Co-operative restaurants are very numerous in Finland. Many of them have a strictly corporate character, for example, the co-operative restaurant "Osmola", founded by University students for their exclusive use, and similar institutions founded by the pupils of the superior and secondary schools, especially of the agricultural schools, which, sometimes combined with co-operative lodging societies, greatly facilitate the life of the students whose families live at a distance.

Let us also mention here the people's kitchens and the co-operative kitchens for common use of all the tenants of the large modern houses, of recent introduction and generally not registered.

kery "Elanto" between 1906 and 1913.

Profits in Marks	Dividend on Purchases	Interest Paid to Members		Funds		
		Amount	Rate	Share Capital	Reserve Fund	Other Funds
43,800	43,000	1,200	5	21,000	26,000	9,900
91,700	27,000	4,500	5	23,000	31,000	93,000
66,300	55,000	9,000	5	24,900	36,000	145,000
58,700	65,000	14,000	5	27,400	68,000	151,000
33,900	37,000	17,400	4	29,100	77,000	153,400
40,600	91,000	19,700	3	31,800	89,000	155,800
58,500	127,600	26,500	3	39,000	105,800	161,600

(c) *Co-operative Purchase Societies.*

Apart from the co-operative distributive societies, which, like many of the co-operative credit, dairy and other societies, undertake to provide their members, according to circumstances, with part of the articles and supplies they need, many co-operative societies have been founded in Finland, exclusively for purchase, so as to provide their members with certain special classes of objects, only on order.

Their working is very simple. An experienced agent, engaged by the association, visits each member, at a convenient time, studies his requirements, advises him and receives his orders. On receipt of the goods, which are ordered wholesale, the agent examines them, stores them if necessary, and forwards them to the members in the least expensive way and at the most suitable time.

These societies have been chiefly founded for the collective purchase of professional equipment and the articles needed for certain trades, and it is unfortunate that many neglect to register. Thus we find in the towns co-operative druggists' purchase societies, societies for the purchase of requirements for hospitals and sanitoriums, others formed among the cab owners etc.

In the country, of course, we find principally those formed among farmers for collective purchase of agricultural machinery, manure, seeds and cattle foods. The increase in the purchases made by co-operative societies of this latter class is seen in the following table, which, however, only gives the figures supplied by the union of the registered co-operative agricultural purchase societies.

TABLE VII. — *Increase in the Co-operative Purchase of Agricultural Machinery and Farm Requisites by the Finnish Farmers between* 1900 *and* 1914 (*in Finnish Marks*)

Year	Marks	Year	Marks
1900	700,000	1907	6,100,000
1901	900,000	1908	7,000,000
1902	1,500,000	1909	7,500,000
1903	2,000,000	1910	7,500,000
1904	2,400,000	1911	9,000,000
1905	2,500,000	1912	10,700,000
1906	4,800,000	1913	12,000,000

(*To be continued*).

SWEDEN.

THE ORGANISATION OF CREDIT TO SMALL LAND-OWNERS FOR THE WORKING OF THEIR FARMS.

§ 1. History of the question. General outline of the law recently enacted.

In Sweden, as in most scantly populated countries, agriculture long preserved the character of natural, purely domestic economy. The soil supplied the man who tilled it with nearly all the raw material necessary to his subsistance, and the peasants worked their farms with no other object in view. When the labour supplied by the several members of the family did not suffice, it was supplemented by that of "tenants", that is to say of agricultural labourers, paid in kind, to whom a section of the farm was allotted in return for a certain number of days of labour put in on behalf of the owner. The need for liquid capital was very restricted, and, more especially among the class of small peasant proprietors, indebtedness was looked upon as proof of incapacity or weakness.

Under such conditions it was only natural that agricultural credit was slower to develop in Sweden than elsewhere, and that the forms it has assumed are quite different to those in use in countries where intensive farming is the rule, based mainly on the sale of products.

The first needs for agricultural credit proper made themselves felt towards the close of the last century (1) as a result of the extensive clearing of uncultivated land and forests and the reclamation of marsh-lands. The need was met by special appropriations made by Parliament from which loans were granted, but almost exclusively to farming enterprises carried out on a large scale. Other loans were made for unspecified purposes, though generally for the same ends, by the State Bank, by private banks and by private moneylenders.

The agricultural depression prevalent in Sweden from 1820 to 1830 led to the foundation of mortgage credit associations, organised on the model of the German "landschaft", but independent of the State. Their

(1) See the study entitled "Agricultural Credit in Sweden" contributed by M. H. Juhlin-Dannfelt, Secretary of the Royal Academy of Agriculture of Sweden, to our Bulletin for November, 1913.

work was not confined to any special kind of real estate. Any owner of land situated within the district assigned to such an association could obtain from it a loan, providing that the value of his property was not less than a certain amount (1). After 1861 these mortgage credit associations were strengthened by the establishment of the Mortgage Bank, subsidized by the Government. Later on a " General Farming Fund " was created for the purpose of granting credit up to a total of one million crowns (2) per annum for draining marshes and reclaiming heath-lands. Still later another special fund was formed for promoting the settlement of Nordland, that is to say of the most northernly provinces of the Kingdom, by means of loans especially intended for small land-owners. Finally, very complete measures were taken by means of loans granted on easy terms to promote the formation of small homesteads amongst both agricultural and industrial workers (3).

The several institutions above mentioned have sufficed hitherto and still suffice more or less to meet the demand for long term credit. But the great defect of the Swedish system of agricultural credit is the complete lack of institutions for supplying the short term credit required to finance the working of the farm on a commercial basis in accordance with the modern needs of intensive farming.

In the absence of such institutions, the farmers have been compelled, in case of need, to apply to the banks, and more especially to private capitalists, borrowing from them on notes, generally repayable by instalments.

This system is obviously very defective. In the first place, successive discounts and renewals unduly raise the actual rate of interest paid on loans of this kind. Moreover, the lenders, of course, demand security, and as Swedish law does not recognise for this purpose mortgages which exceed half the estimated value of the property mortgaged, nor cattle or other farming stock which remains in the hands of the borrower, the farmer is compelled to have recourse to personal security supplied by the signatures of one or more of his friends. This necessarily entails reciprocity in assuming similar obligations, and the final result is that small land-owners all too often find themselves involved in a whole net-work of mutual guarantees which may lead to serious loss.

Under such conditions it is not surprising that efforts have been made for a long time past in Sweden to terminate a state of affairs which was growing more and more intolerable. Indeed, the question of the organisation of short term credit for small rural land-owners on a rational basis has been before the country ever since 1903, and four years ago we ex-

(1) The amount thus fixed, although very low, was still such as to exclude from the credit granted by these mortgage associations the class of small land-owners whom the law we are now examining has in view.

(2) The Swedish crown of 100 " ores " is worth 1.38 francs.

(3) See the article entitled " Associations for the Formation of Homesteads in Sweden ", in the number of this Bulletin for January, 1911.

amined it in an issue of our Bulletin when a bill was introduced by the Royal Direction of Agriculture. This project, however, like many others, led to no practical results (1).

To-day this serious problem has at last been solved. Just recently the Swedish Parliament finally approved a scheme of organisation of short term agricultural credit which will be put into practice as soon as some secondary questions of detail have been regulated by Royal Ordinances.

The organisation provided for will develop little by little from the bottom upwards, according to the needs of the parties interested and to the favour which they show to the scheme. When it has attained its ultimate and complete development it will embrace three different kinds of credit institutions, built up successively, and dependent the one on the others, to wit:

(1) Local Credit Institutes (*Jordbrukskassa*) organised on a strictly co-operative basis which will supply the working capital needed by the small land-owner residing within the restricted sphere of operations assigned to each institute.

(2) A certain number of Central Credit Institutes (*Centralkassa för jordbrukskredit*), which will act as central banks for the local institutes of one or several provinces, and which will supervise their credit transactions.

(3) Lastly, A Central Agricultural Bank which will centralise the work of the two classes of institutes above described throughout the Kingdom. This latter will, however, only be established when the development of the local and provincial agricultural credit institutes makes its foundation desirable and possible. The scheme of organisation which has been approved by Parliament only deals with it theoretically, without going into any details as to the working of an institution whose organisation and mode of procedure will necessarily be determined by the results attained by the local and central credit institutes shortly to be started.

Therefore, for the time being we need only deal with these two first kinds of institutes which the law provides for, i. e. with local agricultural credit institutes for supplying working capital and with the Central Provincial Institutes. Mr. August Östergren, the government expert, in numbers 22 and 23 of the "Landtmannen" gives the following details on the fundamental principles underlying the organisation and administration of these institutes, as approved by the Swedish Parliament.

§ 2. The local agricultural credit institutes.

The agricultural credit institutes (*Jordbrukskassorna*) are economic associations established in a given locality for the purpose of supplying the demand for working capital on the part of small rural landowners.

(1) See the article entitled "The question of credit for small land-owners in Sweden", in the number of this Bulletin for January, 1911.

An agricultural credit institute to obtain official recognition and registration, without which it cannot benefit by the grants provided for by the law, must comply with all the requirements of the Act of June 22nd., 1911, on the foundation of economic associations with limited personal liability (1) The bye-laws of the institute must provide for the limited personal liability of all the members of the association (2) and must contain provisions in conformity with the following general principles:

(1) The credit institute may not work outside of one homogeneous, clearly defined district, which must be quite distinct from districts in which other similar agricultural credit institutes are working. The district must be small enough for the members of the credit institute to know one another and to be more or less acquainted with their respective economic standing.

(2) Any Swedish citizen domiciled in Sweden, any duly registered economic society, or any commune of the Kingdom may be a member of such a credit institute. The number of members must never be less than 15.

(3) Each member may share in the business done by the Institute in proportion to the number of hectares for which he has been inscribed. No one may inscribe himself for more than 50 hectares (3) nor for a number of hectares exceeding one tenth of the total of those already inscribed by the institute. Members who are not working farmers (such as communes and economic societies) shall state the number of hectares for which they wish to share in the credit institute.

(4) The maximum amount of the loan which each member may obtain from the Institute may not exceed 75 Swedish crowns per hectare of land inscribed in the name of said member.

(5) The amount of entrance fee and the liability of each member are fixed as follows:

(*a*) The entrance fees (members' shares) must amount to at least 10 Swedish crowns for each ten hectares of land inscribed, any unit of less than ten hectares counting as a whole. At least one tenth of the amount thus fixed must be paid on entering one's name as a member of the credit institute; the remainder within one year from that date.

(*b*) In case of need, any member of a credit institute may be called upon to pay an annual super-tax, the maximum amount of which will be stated in the bye-laws of each credit institute.

(*c*) The liability assumed by each member for the collective business of the institute may not be less than one and a half times the maximum amount of the loan to which he is entitled.

(1) A full French translation of this important law will be found in the "International Year-Book of Agricultural Legislation," published by the International Institute of Agriculture, Year I (1911), pp. 502 et seqq. See also an article entitled "The Law on Economic Associations of June 22nd., 1911" in the number of this Bulletin for June, 1913.

(2) See §§ 65 to 72 of the above mentioned law.

(3) This provision is characteristic of the law, which aims at supplying credit more especially to small land-owners.

(6) Agricultural credit institutes may make loans directly to their members within the limits of their means. Apart from such direct assistance, these institutes are also authorised to facilitate by their endorsement the discounting of notes signed by their members. No loan may however be granted to a member who does not personally possess and cultivate at least half a hectare of land situated within the territory comprised in the sphere of operations of the institute.

(7) The use to which each loan applied for is to be put must be specifically stated, and loans can only be granted for the following purposes:

(*a*) Purchase of draught or breeding stock, agricultural machines or implements, seed, forage, or fertilisers.

(*b*) to form a working fund required for the normal carrying on of farming operations during the period (or periods) of the year in which the yield of the farm is smallest.

(*c*) To obtain the requisite means for starting some industry which is a bye-product of the farming business if the holding be suited to such industry.

(*d*) For drainage, laying on of water, manure tanks, or other purposes which may facilitate the full development of all the natural resources of the land.

(*e*) For works subsequent to land reclamation and for the erection of small farm buildings (exclusive of those intended for dwelling purposes).

(*f*) For payment of entrance fees, members' shares, and the subscriptions required to entitle applicants to be inscribed as members of any other economic association established for agricultural purposes, such as the purchase or co-operative use of farm machinery and implements, the purchase of forage, seeds, and fertilisers, the purchase or use in common of breeding stock etc.

The law just enacted by Parliament limits the activities of these institutes to the making of cash loans to members, to endorsing members' notes, and to savings bank and deposit transactions. All other forms of business are expressly forbidden to them. They are also forbidden to grant loans or endorse notes for other than regularly inscribed members.

The entrance fees paid by members will be used to form a special reserve fund to be known as the "Membership share fund", (*Jordbrukskassans insatskapital*).

Of the total annual profits made by each institute, 15 % at least is to be paid to the ordinary reserve fund until this amounts to 10 % of the total amount of the maximum loans which the members of the institute are entitled to receive. If the institute also acts as a savings and deposit bank, this annual payment may only cease when, besides complying with the conditions above laid down, this reserve fund shall also amount to half the value of the deposits as shown by the last balance-sheet of the institute.

Eventual losses will be met, in the first place, by the supertax to which members are liable for the current year (see art. 5 *b* above) and in the second place by the ordinary reserve fund.

As a "subsidy towards administration expenses" (*förvaltningsbidrag*)

every local agricultural credit institute, officially recognised and duly registered, will be authorised to receive from Government funds a contribution of two Swedish crowns per member inscribed and per year during the first four years of its existence, and of one crown per member and per year for the six following years.

The requests for official recognition of local agricultural credit institutes must be addressed to the Prefect (*Konungens befallningshafvande*) of the province in which the institute is located.

If in said province no central agricultural credit institute exists, and until such time as one shall be established, the supervision and control over the work of the local agricultural credit institutes will be entrusted to a Government functionary especially appointed for that purpose by the Prefect of the province.

§ 3. The central agricultural credit institutes.

As we have seen above, the scheme for the organisation of agricultural working credit approved by the Swedish parliament provides for the establishment of a certain number of Central Agricultural Credit Institutes (*Centralkassor för jordbrukskredit*) to serve as central institutions for the local credit institutes just described.

We shall now give the main features of the organisation and mode of procedure laid down for these central institutions.

(1) In the first place, the Central Institutes like the local ones, must be organised, in conformity with the requirements of the law of June 22nd., 1911, as economic associations with the personal liability of their members limited to a certain amount (*med begransad personlig ansvarighet*).

(2) The only purpose of these Central Institutes must be that of promoting and facilitating the activity of the local agricultural credit institutes established within their sphere of activity. So as to obtain legal recognition and registration the Central Institutes must include in their rules provisions in conformity with the following general principles:

(*a*) The zone of activity of a Central Institute shall be a specified homogeneous district, apart and distinct from the district served by any other similar institute. This zone may only comprise one, two, or at most three provinces of the Kingdom.

(*b*) The membership of a Central Credit Institute is restricted to local agricultural credit institutes legally recognised and registered, situated within the territory allotted to the said Central Institute. Official recognition can only be secured by Central Institutes formed by not less than ten local agricultural credit institutes, possessing collectively a "membership share fund" of a total value of at least six thousand crowns.

(*c*) The membership shares of the Central Agricultural Credit Institutes must be worth at least ten crowns.

A local institute, in order to become member of a Central Institute, must on entering for membership subscribe shares for at least four

hundred crowns. Should it wish, it may subscribe for a larger sum on condition that the consequent liability incurred by the local institute in connection with the business of the Central Institute does not exceed, under any pretext, two thirds of the total liability incurred by the members of the local institutes in connection with the business of this latter.

(*d*) The liability of a local agricultural credit institute towards its Central Institute may not be less than thirty times the total value of the shares subscribed by the local institute on becoming a member of the Central Institute.

(3) The maximum amount of the loans to which a local agricultural credit institute is entitled from its Central Institute may never exceed one half of the sum for which the local institute is liable to the Central Institute, plus one half of the maximum amount which the members of the local agricultural credit institute are entitled to receive from this latter in the shape of loans.

(4) The Central Agricultural Credit Institute will assist the local institutes by granting them direct loans, or by endorsing notes which the local institutes wish to discount, or by acting as intermediaries between them and the banks.

(5) The sums paid into the Central Institute by the local agricultural credit institutes on becoming members will form a special fund to be known as the "Entrance Fee Fund" of the Central Institute.

Of the annual profits of the Central Institute at least 15 % will be paid into the reserve fund until it amounts to 10 % of the total amount of the maximum loans which may be made to members, plus, in the case of those Institutes which also act as savings and deposit banks, half of the sums held on account for depositors as shown by the last balance-sheet.

(6) When these sums have once been set aside, and if the amount of the annual profits permits of it, the Central Institute may pay interest to its affiliated local institutes on the entrance fees received from them.

The law regulates the relations between the local and the central institutes as follows:

Any local agricultural credit institute affiliated to a Central Institute must carefully conform to the instructions and advice given it by the Central Institute in all matters connected with the general management of its business and the keeping and auditing of its accounts.

Auditors appointed by the Central Institute shall at any time have access to the offices of the local institutes for the purpose of examining their books and the deposits and cash held by same.

Such supervision of the local institutes by the Central Institutes in those provinces where they exist takes the place of the supervision by a representative of the Government named by the Prefect to which reference was made is a previous paragraph. It is therefore official in character, and the law enjoins on the Central Institutes to take all necessary steps to ensure that this supervision of their affiliated local

institutes be carried out by thoroughly competent people, and in a continuous and effective manner.

All duly recognised and registered Central Agricultural Credit Institutes will receive from Government funds one single subsidy towards expenses of organisation, amounting to two thousand crowns.

Besides this, as a temporary grant towards administration expenses, the Central Institute will receive from this same fund an annual contribution of 2,000 crowns during the first two years of its existence, one thousand crowns annually during the next four years, followed by five hundred crowns annually for the succeeding four years.

Apart from these direct grants, and with a view to reinforcing the safety of the transactions of the Central Agricultural Credit Institutes, the Government will deposit with the Royal Bank of Sweden on account of each Central Bank officially recognised and duly registered, government bonds to the amount of one hundred thousand crowns.

This deposit will be held by the Bank as security for the transactions of the respective Central Institutes.

Official recognition of the Central Agricultural Credit Institutes lies with the Prefects of the Provinces in which they are legally domiciled. On granting such official recognition the Prefect must appoint a functionary to whom he will entrust the duty of supervising and controlling the transactions of the Central Institute.

§ 4. Formation of the Working capital of the agricultural credit institutes.

One of the most difficult problems to solve when drawing up this bill was that of the formation of the initial working capital required for the proposed institutes.

As far back as December, 1908 the General Direction of Agriculture had proposed the formation of a special State fund to be placed at the service of the agricultural credit institutes, but this proposal was definitely set aside by the Royal Commission on Finance, which pointed out that such a mode of procedure would have entailed a foreign loan, that circumstances were unfavourable to such a transaction, and that the money thus placed at the service of the credit institutes would be too costly for the institutes to be able to make a profitable use of it.

Thus direct Government financial support was ruled out, and other means had to be sought for supplying the requisite working capital to the proposed institutes.

After lengthy debates several proposals were adopted, the most important of which called for legislation authorising the agricultural credit institutes to act also as deposit banks not only for their own members, but also for the general public.

Existing Swedish law authorised such economic associations to receive, subject to certain conditions, the savings deposits of their members; but

it forbade all such business with outsiders. It was therefore necessary to enact additional laws, and this was at last done.

As a result, the proposed agricultural credit institutes are authorised to accept from outside individuals and institutions, as well as from members, all kinds of deposits, on condition that they be repayable only at fixed dates and on adequately lengthy notice. Deposits at call are thus excluded.

It is hoped that the agricultural classes will hasten to deposit their savings with these institutes, formed more especially for their benefit, and so contribute to their development and prosperity.

It was objected that the agricultural credit institutes might thus become dangerous competitors for the ordinary deposit banks, but the experts who were consulted replied that the activity of the credit institutes as deposit banks would never attain such a degree of development as to make them really dangerous rivals to the ordinary banks, or such as to entail a general increase in the interest on deposits. Far from facing each other as rivals, the two kinds of institutions should support one another; and to facilitate such collective action the deposit and savings banks have been authorised to open current accounts and to grant credit, after a preliminary agreement, to the local agricultural credit institutes.

This last provision will be of great assistance to these institutes, more especially in those provinces in which Central Institutes have not yet been established.

These latter will be entirely free to seek where they best may the funds they may require for financing the local institutes. The local institutes will place any surplus they may have with the Central Institutes and will act as branches of the Central for deposit transactions. The Central Institutes will thus act as intermediaries between the several local institutes, and when the organistion shall have attained an adequate degree of development a Central Agricultural Bank for the whole Kingdom will be established which, in its turn, will act as intermediary between the Central Institutes of the Provinces.

Besides this, in order to facilitate the work of the agricultural credit institutes, and on the strength of the security placed at its disposal for such transactions by the Government (see above) the Royal Bank of Sweden will discount on the most favourable terms, that is to say on the same terms granted to private banks, all paper endorsed by a local agricultural credit institute or by a Central Institute. Such paper, the life of which, including any rediscounts, must not exceed nine months, will be of special value for the purchase of forage, seed, fertilisers, and such like requisites.

Finally very advantageous terms have been arranged with the Direction of the Postal Savings Banks and the Pension Fund with a view to facilitating any further loans which may be required, more especially at the start, by the new agricultural credit institutes thus founded.

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The most characteristic feature of this scheme for the organisation of short term agricultural credit is undoubtedly the fact that its success is entirely dependent on the interest which the farmers themselves, for whose benefit it has been devised, will take in it.

The Government facilitates by modest subsidies the initial organization of the credit institutes and their administration during the first difficult period. But once this critical period is over, and the organisation safely established, the Government leaves it almost entirely to its own resources, limiting its action to favouring the credit requirements of those institutes only which shall have attained a sufficient degree of vitality to allow of their establishing a Central Institute. It is the business of the institutes themselves to procure the necessary funds, and to administer them profitably and in such a manner as to secure public confidence. In short it is their business to succeed by their own efforts.

As to the establishment of the institutes and their mode of procedure, let us note the restriction of their sphere of activity within limits which make it possible for all the members not only to be personally acquainted but also to be posted as to the economic conditions and solvability of each other. This is evidently one of the surest guarantees against hazardous transactions.

It is also noteworthy that the loans are strictly limited to certain purely agricultural purposes which, as they all aim at improving farms already known to be prosperous, are almost certain to be profitable. On the one hand this limitation draws a distinct line between the business transacted by the agricultural credit institutes and that done by an ordinary deposit bank, thus largely eliminating the danger of competition between these two kinds of institutions; on the other hand it forms a guarantee not only for the safe use of the funds at the disposal of the credit institute, but also for the realisation of profits sufficient (as shown by the experience of other countries in which similar systems have been at work) to ensure the progressive and sure development of the whole system.

MISCELLANEOUS INFORMATION RELATING TO CO-OPERATION AND ASSOCIATION IN VARIOUS COUNTRIES.

ALGERIA.

MUTUAL AGRICULTURAL CREDIT INSTITUTIONS IN 1914. — The *Journal Officiel* of June 11th., contains the report of M. Malvy, Minister of Home Affairs, on the work of the Algerian Mutual Agricultural Credit Institutions in 1914.

On December 31st., 1914, there were in Algeria 41 regional agricultural credit banks, the same number as at the end of the preceding year. Their business was very appreciably reduced owing to the war; the number of bills discounted, which in 1913 was 18,264 for a total amount of 15,620,663 frs. decreased to 11,713 for an amount of 11,229,151 frs. The deposits decreased in the same way, but, if the amount received in deposits during the year was reduced, it was none the less 3,500,000 frs. on the 31st. December. This is evidence of the confidence the banks continue to inspire in both colonists and natives.

The following conclusion was arrived at in the report:

" We can only congratulate ourselves upon the situation which shows what confidence the regional agricultural mutual credit banks inspire in certain regions and above all allows of the hope that in 1920, the date at which repayment in full of the advances granted out of the funds of the Bank of Algeria may be demanded, these Banks, or at least some of them, may be able to continue to render the farmers the same services as at present by means of the amounts they hold in deposit. "

The situation of some regional banks, in respect of deposits, is exceptional. Thus, that of Algiers, with a paid up capital of 369,000 frs., had on December 31st. last deposits to the amount of 1,510,000 frs.; that of Tlemcen, which has a capital of 167,600 frs., had at the same date 1,278,000 frs. in deposit. The advances received since 1901 by the Regional Banks amounted, after deduction of repayments, to 5,206,133 frs.

In the course of 1914, six new co-operative societies have been founded, two of them in the department of Algiers and four in that of Constantine. The report mentions that this last department had hitherto remained outside the co-operative movement.

CANADA.

THE WORK OF "THE UNITED FARMERS OF ALBERTA." — The association kown as The United Farmers of Alberta was organised in 1909 as the result of a conference attended by representatives from a very large number of local farmers' associations which had come into existence throughout the province and which, until then, had been working practically independently of one another. The association was organised as a central directing body, but its functions are purely educational. Each local union — there are at present some 660 in the province — retains complete freedom over its own affairs, elects its own officers, and attends to all local business without reference to the central association. The local unions pay an affiliation fee on a *per capita* basis of 50 cents for each member. Some of them have as many as 200 members, but the tendency at present is to break up the very large unions into more manageable units, and then for certain purposes, particularly for co-operative buying and selling, combine several local units into district associations.

Local unions on affiliation agree to adopt the statutes of the central association. These statutes declare the objects of The United Farmers of Alberta to be as follows :

(*a*) To further the interests of farmers and ranchers in all branches of agriculture; to promote the best methods of farm business; to gather market information ; to obtain by united efforts profitable and equitable prices for farm produce, and to secure the best and cheapest transportation.

(*b*) To study and teach the principles of co-operation and to promote the establishment of co-operative societies.

(*c*) To watch, influence and promote legislation relative to the objects specified in the preceding sub-sections (*a*), and (*b*) and to advance any other matter affecting the farmer's business, and to take any legitimate action necessary for this purpose.

(*d*) To promote social intercourse and the study of economic and social questions bearing on our interests as farmers.

(*e*) To settle disputes between members without recourse to law whenever possible.

(*f*) To take into consideration any member's case of grievance, hardship or litigation, and to defend our members as far as it may be possible and just.

For some time after 1909 the local unions seem to have shown but little initiative. In 1913 and 1914, however, there was considerable activity in various directions, probably in sympathy with the contemporary movement in favour of agricultural co-operation in the United States. Speaking generally, the local unions are still far from their fullest development, but substantial progress is being made, especially in the matter of co-operative buying and selling. The business undertaken by a union depends naturally upon the type of farming in which the majority of the members are engaged.

In mixed farming districts many unions organise the co-operative shipping of live stock. In grain growing districts some of the unions have established centres for the cultivation of high grade seed which they distribute to ther members. Other unions, again, have organised egg-selling agencies.

One of the most successful unions is to be found at Cowley. The members of this union meet twice a month for the purpose of hearing addresses from agricultural experts. Twice a year the members hold sales of cattle and horses, and these sales have already proved very successful and are attracting the attention of buyers to the Cowley district. In 1914 the total sales amounted to $ 13,000. The members also purchase collectively such farm supplies as binder-twine, fencing material and lumber. In 1914 collective purchases amounted to $ 16,000. The union publishes a monthly bulletin which keeps the members fully informed as to the progress of the various branches of union work.

Membership in the unions is open to farmwomen, but as a rule the women organise separately in auxiliary associations; and in January of this year (1915) the women established their own provincial central organisation under the title of "The Women's Auxiliary to the United Farmers of Alberta."

In 1913 the United Farmers of Alberta secured the passage of an act of the Provincial Legislature creating the Alberta Farmers' Co-operative Elevator Co. Ltd. This company, beginning business with 50 local elevators, increased the number to 80 in the first year, handling in that year a total of 3,774,381 bushels of grain. In addition it undertook the co-operative sale of livestock and the collective purchase of farm supplies. The last mentioned business reached important proportions in the first year of working, the total value of the supplies purchased being approximately $ 300,000.

ITALY.

THE RESULTS OF THE LAST PRIZE COMPETITIONS AMONG THE AGRICULTURAL BANKS AND CONSORTIUMS OF SICILY AND LIGURIA. — The *Gazzetta Ufficiale del Regno d'Italia* of June 28th., (No. 161) publishes the results of the competitions opened, in terms of article 24 of the law No. 100, of March 29th., 1906, by Ministerial Decree of October 10th., 1914, among the Agricultural Banks and Agricultural Consortiums and Societies of Sicily.

For the competition opened among the societies and consortiums there were no entries. But 21 co-operative societies entered for the competition opened among the banks. Of these, two were excluded on account of their already having received prizes in previous competitions. By virtue of the Ministerial Decree of June 19th., which provide that, as there had been no entries for the competition among the consortiums and societies,

the prizes offered for it should be added to those offered for the competition among the banks, the following awards were made :

(*a*) The two first prizes of the first class, of 3,000 frs. each, were granted to the Agricultural Co-operative Society for Mutual Aid, "La Madre terra", of Castrogiovanni, and the Farmers' Association of Santa Caterina Villarmosa.

These two banks had the largest number of members of those competing and the largest credits at the Agricultural Credit Department of the Bank of Sicily. Besides this, they perform a really efficacious work for the benefit of their members and of the agricultural economy of the region in which they work, with highly appreciable results.

(*b*) The two first prizes of the second class, of 2,000 frs. each, were assigned to the Catholic Farmers' League of Camporeale, and the Agricultural Co-operative Society "La Previdenza", of Valguarnera.

These two banks, also possessed of by no means insignificant capital and a sufficiently large reserve fund, do excellent work, as the Bank of Sicily attests, and conduct many agricultural credit operations with good results.

(*c*) The other eight prizes of the third class, of 1,000 frs. each, were awarded to those societies among the remaining fifteen that have longest been engaged in agricultural credit business and have conducted most operations and the work of which is most conformable with sound management and true co-operative principles : namely :

1st. The Co-operative Bank Vittorio Emanuele III of Barcellona Pozzo di Gotto ;

2nd. The Rural Bank "La Previdente" of Borgetto ;

3rd. The Agricultural Society San Vincenzo Ferreri of Calamonaci ;

4th. The Agricultural Bank Rinnovamento of Canicattì ;

5th. The Agricultural Co-operative Society for Production and Labour of Licodia Eubea ;

6th. The Agricultural Co-operative Society for Production and Labour of Misterbianco ;

7th. The Agricultural Co-operative Society "La Partinicese" of Partinico ;

8th. The Co-operative Society La Fratellanza of Mirabella Imbaccari.

The *Gazzetta Ufficiale* of June 14th. (No. 158) has published the results of the prize competitions opened among the agricultural consortiums and agricultural and rural banks of Liguria, according to Ministerial Decree of October 12th., 1914.

Three institutes entered for the competition among the consortiums, one of which, the Prelà Agricultural Co-operative Distributive Society, has, up to the present chiefly exerted itself for the direct supply of articles for personal consumption to its members. The other two, the Agricultural Co-operative Consortium of Albenga and that of San Remo, both on account of the means at their disposal and the importance of the work done by them in favour of local agriculture, received the two second class prizes of 2,000 frs. each.

Three societies entered for the competition among the agricultural and rural banks: two of them, the Mutual Livestock Insurance Society and Rural Bank of Calice Ligure and the Rural Bank Sant'Antonio of Masone, are co-operative societies formed among owners of horned cattle, principally for the purpose of livestock insurance and have up to the present done quite insignificant business in the field of credit; the third, the Rural Loan Bank of Diano Borgonzo, has for its principal object the grant of credit to its agricultural members, and on account of its work, which, although still somewhat restricted, has been already beneficial to the farmers, a third class prize of 1,000 frs. was assigned to it, with the object of encouraging the foundation of societies of the kind and their extension in the country.

Part II: Insurance and Thrift

ITALY.

1. SCHOOL AND FOREST MUTUAL SOCIETIES IN ITALY.

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LE MUTUE SCOLASTICHE FORESTALI (*Forest School Mutual Societies*). Circular No. 15. October, 1912. Federazione Italiana delle Associazioni Pro Montibus e Comitato Nazionale per la Mutualità Agraria.

§ 1. The earliest school mutual societies.

The school mutual societies represent one of the most recent and most ingenious applications of the principle of mutual assistance. They are, in fact, societies formed among pupils of the elementary schools, who, by means of the payment of a very small weekly contribution, secure for themselves a subsidy in case of sickness and a pension in their old age. The members may, as we shall soon see, continue in the societies after leaving the school until they attain the age necessary for admission into societies for adults.

In addition to their direct economic advantages they are also the most efficient promoters of thrift. And indeed, at an age, when the character is being formed, and good and bad habits are most easily acquired, they thus succeed in spreading ideas of economy and thrift, and gradually instilling in the minds of the children the principle that great sacrifices must be made in view of uncertain and distant needs ; and, indirectly, this propaganda reacts on the parents by whom the contributions are really paid.

For this reason the school mutual societies seem deserving of the greatest encouragement. The idea was first conceived in France by M. Cavé, who was authorized to make the first experiment in the schools of the nineteenth arrondissement of Paris (1881) and from Villette and Belleville it spread rapidly from city to city, from market town to market town, gradually overcoming scepticism and indifference, surmounting the initial obstacles, and everywhere gaining adherents and winning sympathies, until almost a million children had been received and organized under this standard of peace (1).

Next the movement extended to Belgium, where it spread even more rapidly and where it led to the foundation of many most useful institutions, ensuring a larger attendance at the schools, and increasing the numbers registered with the Thrift Institute ; and the associations became " mixed ", as the children, with their persistent enthusiastic propaganda drew into the orbit of the thrift association their parents, brothers and sisters, rendering it thus a powerful link between school and family, and school and life.

Then the idea of school mutuality conquered some of the Swiss Cantons and in 1903-1904 spread into Italy. Here it was at once taken into consid-

(1) According to the most recent statistics collected by E. Petit, General Inspector of Public Education, the Statistics of French School Mutuality may be summarised as follows. In 1913-14, there were working in France 4,666 school mutual societies, most of them cantonal, with 870,094 members paying regular contributions. More than 5,000,000 frs. were paid in during the year for old age pensions and mutual assistance. The French school mutual societies, have succeeded, by means of these latter payments, in collecting 60,000,000 frs., sou by sou, by means of the collective savings of the children of the cities and of the country. Besides this, there are more than 100,000 young persons belonging to 7,042 old pupils' associations (*petites amicales*).

eration by the press and received very favourably by many teachers, it was discussed in public congresses and in Parliament and gradually extended itself in the large and small centres. The first trial was made in Ancona in 1903, but it remained isolated, and another three years had to pass before something of the same kind was done in Milan. But it was only after the National Congress of Piacenza in 1908 that the propaganda and action in behalf of school mutual societies in Italy grew important. Indeed in that year began all the work of propaganda, carried on from one end of the country to the other, in articles, lectures and publications, in behalf of this most noble idea, leading to the Raineri law of July 17th., 1910, in which the Italian Government recognised and regulated the school mutual institutions. Let us proceed at once to an examination of the principal provisions of the law, and the executive regulations approved by Royal Decree of August 18th., 1913 (1).

§ 2. The principal provisions of the law and regulations on school mutual societies.

The mechanism of the law of July 17th., 1910 on School Mutual Societies is very simple. It in the first place provides that the mutual aid societies formed among the pupils and former pupils of the public and private elementary schools may obtain recognition from the State. For the purpose, it is, however, necessary that these societies should have among their objects that of ensuring their members old age pensions from the National Thrift Institute and that their rules be in conformity with the provisions of the law and the regulations (2).

(1) Executive Regulations for the law were first approved by Royal Decree of March 19th., 1911, No. 465, but they did not give full satisfaction and were abrogated and substituted by the Royal Decree of August 18th., 1913, No. 1,088.

(2) According to art. 1. of the Executive Regulations No. 1,088 of August 18th., 1913, the rules of a mutual aid society requesting legal recognition in the sense and for the purposes of the law No. 521 of July 17th., 1910, must indicate: (1) the title assumed by the society, its headquarters, and district; (2) its intention to ensure its effective members old age pensions by means of their immediate direct registration in the National Thrift Institute for Workmen's Sickness and Old Age, with distinct specification of its other objects if any; (3) the conditions and modes of admission and expulsion of members, whether effective or of other character contributing, honorary, benefactors, etc.); (4) the rules for the constitution and validity of the meeting of the society; (5) the constitution of the Board of Management, and of the Executive Committee and the Committee of Examiners, if any, the mode of election of such bodies, the period for which they hold office, and the nature of their functions; (6) the mode in which the society is represented in law and with third parties; (7) the date of opening and closing the working year; (8) the obligation of keeping minutes of the members' meetings and the meetings of the Executive and of the Committee of Examiners; (9) the amount of the periodical contributions of payments in full and the term within which they must be made by the effective or other members, and statement as to whether the members of the teaching staff of the respective elementary schools or other persons are exempted from such contributions or payments; (10) the benefits the society obtains for its

This recognition gives the societies legal personality and certain privileges (exemption from stamp and registration duty, from the insurance tax and income tax) and renders undistrainable the subsidies due to the members from the societies. It is conferred by Royal Decree on the recommendation of the Minister of Agriculture, Industry and Commerce, in agreement with the Minister of Public Education, after consulting the Council of Thrift and Social Insurance.

The National Thrift Institute for Workmen's Sickness and Old Age is therefore authorized by the law to register in a special list, with the contributions, which the mutual society binds itself to set aside to accumulate, the members of the society between the age of 6 and 12 years. At twelve years of age, those thus registered who belong to the working class, shall be transferred, with their credits, to the workmen's lists of the National Institute ; those, on the other hand who belong to other social classes, shall be transferred to the lists of the popular annuity insurance, under the administration of the same Institute.

The latter is bound to assign to those registered in the school mutual society lists, who have paid an annual contribution of not less than three francs, an annuity fixed by the Board of Management of the National Institute at 1.50 fr. (1).

To this annuity there is further added, only in the case of members who have been at public schools, an annual State contribution fixed by the law at a maximum of 50 centimes for every member registered, who has, as before said, contributed 3 frs. to the National Institute.

To obtain the means for such registration, the school mutual societies collect every week from the individual pupils the amount of 10 centimes, making an annual amount of 5.20 frs. per pupil, of which 3 frs. are paid to

effective members ; (11) the methods of investing and keeping the capital of the society ; (12) the existence of the obligation of presenting a balance sheet at the end of every year for the approval of the members' meeting ; (13) the conditions and procedure in case of decisions in regard to amendments of the rules, union with other mutual school societies, dissolution and liquidation ; (14) in the case of societies with considerable numbers of members, it may be provided in the rules that the functions of the members' meeting are transferred to the Board of Management.

To render the legal recognition of the school mutual societies of new formation easy and rapid, the Council of Thrift and Social Insurance has approved model rules, the adoption of which obviates the necessity of consulting it in regard to the aplication for recognition presented by the societies.

(1) According to the rules decided upon by the Board of Management of the National Thrift Institute, for the persons registered in the special school mutual society list, who have reached the twelfth year of their age and, belonging to the working class, are transferred to the workmen's list of the National Institute, the annuity is raised from 1.50 fr. to 3 fr. a year. With this assistance from the Society, the young workmen who continue to contribute regularly from their 12th. year an annual amount of 6 frs. — the minimum contribution giving adults right to annuities — will ensure for themselves at sixty years a pension of 300 frs., if registered in the school societies from their sixth year ; 294 frs., if from their seventh year; 289 frs., if from their 8th. year, 283 frs. if from their 9th. year; 278 frs. if from their 10th. year and 273 frs. if from their 11th. year.

the National Thrift Institute and the rest is set aside to meet the second object of these organizations, that is mutual aid in case of sickness. Every pupil indeed who falls ill receives from the society a daily subsidy of 50 centimes, for a given period of time.

In Italy, as in France, the school mutual societies provide for both sickness and old age, nor is this the place to enter into the details of the organization of their services. It is more important for us to show that the excecutive regulations provide that several societies may federate for the object of regulating and facilitating the transfer from one to another federated society of the effective members who have changed their school or their district and also for that of collectively regulating the system on which they work, without, however, their losing their respective independence.

Like the individual societies, also the federations may obtain legal recognition.

As regards the management of the school mutual societies they are forbidden to acquire buldings, accept legacies or donations without previous authorization by Royal Decree. They are also forbidden, while the society lasts, to make any distribution of their available funds. In case, however, of a member being transferred from one school society to another, the rules may allow for the transfer of amounts from the one society to the other.

The executive regulations contain special rules in regard to amendments to be made in the rules of the societies, the union of societies or their voluntary dissolution. These steps must be decided on in special meetings or by the Board of Management, when the powers of the meeting are transferred to it. Before they can take effect such decisions must be approved by Royal Decree.

Finally, the school mutual societies are subjected to the supervision of the Minister of Agriculture, to whom they must submit each year : (*a*) a copy of their accounts, within two months from the date on which they are passed ; (*b*) statement of the assets of the society at date of termination of the working year to which the accounts refer ; (*c*) copy of the minutes of the general meeting in which the accounts were approved and the report of the examiners ; (*d*) a special report in regard to each donation or request of a permanent character.

When a society, in spite of special warnings and eventual provisions of the Minister of Agriculture, Industry and Commerce, does not conform to the suggestions of the Minister, its legal recognition may be taken away, and then, with the approval of the Council of Thrift, it may be dissolved and its estate liquidated.

§ 3. Some statistics of school mutual societies in Italy.

The first school mutual societies arose, as we have said, in 1903 at Ancona and in 1906 at Milan, but an intense and active movement in behalf of school mutuality only began in Italy after the National Congress of

Piacenza in 1908, held under the presidency of Signor Luigi Luzzatti. It was in fact after the fifteenth of November of that year that the idea of school mutual societies spread extensively in the Peninsula with the help of articles and lectures.

We have as yet no general statistical returns of the societies existing in the Kingdom (1) : but from information obtained directly fron the Department of Agriculture we know that the total number of recognised school mutual societies last June was 53.

Remembering, however, that each of these associations, as a rule, has several sections, it may be considered without fear of exaggeration, that the societies for the purpose now working in Italy either as independent institutes or as sections of larger organizations are more than 1,000.

If we have no general statistical returns, we have, however, interesting information in regard to the individual mutual societies, some of which we shall give here, beginning with the most important society in the Kingdom: the "Mutualità Scolastica Italiana", with headquarters in Milan.

Founded on March 3rd., 1907 and recognised as an incorporated organization by Royal Decree of September, 1913, it has now as many as 650 sections distributed among the various regions of Italy. On July 31st., 1914, it had 92,000 registered members, and had collected from them, up to the end of September, 1914, 547,109 frs, and paid them altogether 167,973 frs. in subsidies during sickness.

In return for 10 centimes paid per week, the pupils registered in this society who fall ill receive an allowance of 50 centimes a day for a period of 3 months and, afterwards, if the sickness continues, 25 centimes a day for another three months up to a maximum total for one illness per pupil of 67 fr. 50 centimes.

The member may claim the subsidy after four days from date of reporting his illness ; the report may be either made verbally or in writing with the presentation of pass book with payments duly verified.

The sick pay may be consigned at the end of the sickness or in weekly or monthly instalments. It is paid to the member up to the 13th. year of his age and in any case up to the 31st. of July of the year after he leaves the elementary school.

All sicknesses entitle the member to sick pay, provided they are contracted after registration, and are not due to constitutional disease, intemperance, or want of cleanliness, and are not of a chronic nature. In the latter case, subsidies are granted in case operations have been necessary.

The pupil who has fallen four weeks in arrear with his payments, forfeits his claim to sick pay, and will not be reinstated in the right, until a

(1) The Department of Agriculture, Industry and Commerce, which is bound to publish every three years a report on the progress of the recognised school mutual societies, is now preparing statistical tables. An enquiry was held into the school mutual societies in Italy in 1910 on the initiative of the "National School Mutual Societies Committee" (*Comitato Nazionale della Mutualità Scolastica*). From it we learn that in that year 469 societies were at work in the Kingdom.

month after his payments are in order ; his rights to pension, however, remain intact.

For a delay of three months in his payments, not justified oy serious reasons, the member may be expelled from the society.

The "Mutualità Scolastica Italiana" further provides for the immediate registration of its members in the National Thrift Institute, and has paid over to the latter for the purpose between 1911 and 1913, 42,342 amounts making a total of 127,026 frs.

With regard to its financial situation it will suffice to point out that on September 30th., 1914 the total credits and debits amounted to 63,557.45 frs. and that, at the same date, its total assets were 98,435,50 frs.

The "Mutualità Scolastica Italiana" besides carrying out as above shown its ordinary programme of work, has not failed to encourage supplementary mutual undertakings, such, for example, as baths and health resorts, the object of which is to strengthen the children's physique and so so prevent the diseases to which they are exposed. Two colonies, started by it, are already working, one on the coast at Porto Maurizio, the other in the mountains, at S. Fermo della Battaglia (Como), where the little members, pay the low rate of two francs a day for board and lodging and may utilise for the purpose the sick pay due to them.

The Association has likewise encouraged the foundation of a river colony at Lodi, with the intention of profiting by the resources that the open plain, with the streams traversing it, offers for the physical regeneration of the children and has also given its support to other beneficent undertakings, which it would take too long to enumerate here.

This action it has been possible to carry out by means of assistance received from the Department of Public Education, which has granted a subsidy of 5,000 frs., the Commune of Milan, which contributes 3,000 frs. a year, and the Savings Bank of the Lombard Provinces and the Milan People's Bank.

The Association publishes a monthly Bulletin, which it distributes gratis to its sections and which contains valuable information on the school mutual societies of Italy.

The "Mutualità Scolastica Romana" founded in Rome on March 1st., 1909 and recognised as an incorporated body in April, 1913, also deserves mention. In 1914 it had 47 sections, with 2,474 members making regular payments, and had an income of about 14,000 frs. altogether. On September 30th., 1913, its share capital amounted to 32,957 frs.

This mutual society each year registers more than 2,000 members in the National Thrift Institute and gives assistance on an average each year for five thousand days of sickness. In 1914 it distributed 2,141 frs. in subsidies. It provides itself for the requirements of its own administration and as a rule has a credit balance each year of more than 1,500 frs.

The work of the "Mutualità Scolastica Romana" is not limited to subsidising sick members, but, like the "Mutualità Scolastica Italiana", it has studied the means of preventing sickness by giving the poorer and feebler children the benefit of sea and mountain air. To this benevolent

purpose it devotes its available funds each year. So, in the summer of 1914, fifty children were able to recover their health on the Adriatic shores and among the Apennines.

In the same year, the Commune of Rome gave the "Mutualità Scolastica Romana" a subsidy of 2,000 frs.

Another School Mutual Society, that has made progress and is well managed, is that of Venice, which has existed for seven years and has 21 sections. The number of its members had risen since its foundation (1909) up to the end of 1913 to 5,643, with an increase of 1,500 members a year in each of the years 1911-12 and 1912-13.

The total amounts collected in the year were 9,926.67 frs. out of which 2,770.75 frs. were paid for assistance in 212 cases of illness and 7,155.92 frs. were placed to the pension account.

§ 4. "Federazione nazionale delle mutue scolastiche" and "comitato nazionale della mutualità scolastica".

All the school mutual societies founded in conformity with the law of July 17th., 1910 above considered are members of the *Federazione Nazionale delle Mutue Scolastiche* (National Federation of School Mutual Societies), with headquarters in Rome. Its object is to encourage the foundation of school mutual societies and provincial federations, to regulate and facilitate the passage of effective members from one to another on their moving from one school or district to another school or district; to regulate collectively the services of the federated mutual societies, while respecting their independence, and to work generally for the technical improvement and the extension of school mutual societies.

Meanwhile the Federation aims at a closer union with the mutual aid societies, so as to facilitate the passage of old pupils to the societies for adults. The funds for its work are provided by the contributions of the federated societies and assistance is furnished by various organizations.

The administrative authorities of the Federation are: (*a*) The meeting of the affiliated mutual societies; (*b*) the Board of Management and Executive Committee; (*c*) the Committee of Examiners.

All the federated mutual societies, whetever the number of their members, have a right to be represented in the meeting, which assembles each year not later than September. The Board of Management consists of the President and 16 members, elected from among the delegates of the affiliated societies, if possible one per region.

This Federation, in its work of propaganda, is bound to co-operate with another organization, founded by common desire of the representatives of the various mutual societies with the assistance of the Ministerial Department of Public Instruction and Agriculture, namely the *Comitato Nazionale della Mutualità Scolastica* (National School Mutual Societies Committee). It has its headquarters at the National Thrift Institute for Workmen's Sickness and Old Age, and its objects are: (*a*) the extension of school mutual soci-

eties (1); (*b*) the study of all methods of improving the institution, and rendering it more efficacious especially for purposes of education; (*c*) the promotion and facilitation of relations between the school mutual and the adults' mutual societies; and (*d*) co-operation with the National Thrift Institute, for the benefit of all registered members, either by means of workmen's insurance, or the popular insurance of life annuities.

The Committee is composed of representatives of the Departments of Public Instruction, Agriculture, Industry and Commerce, and of the National Thrift Institute, as well as of the representatives of organisations contributing at least 100 frs. a year and of the societies. It began its propaganda by the publication and wide distribution of a pamphlet containing information and instructions for the use of the promoters of school mutual societies.

§ 5. Forest school mutual societies.

An original application of school mutuality is to be found in the forest school mutual societies, started first in France (2) and then introduced into Italy, for the purpose of diffusing among the pupils of the elementary schools an interest in arboriculture. However, they do not aim at solving the economic or technical problem of reafforestation, but the moral question, at forming, that is to say, a forest morality. And here the school may give valid assistance, training the children from their early years to love and respect trees.

The object of the ideas on which they are based is to obtain from the Communes, the Provinces, the State, or private persons, either as free gifts, or on purchase or on long lease, waste land of small value for reafforestation.

(1) Recently, the National League of Co-operative Societies (*Lega Nazionale delle Cooperative*), in agreement with the Italian Federation of Mutual Aid Societies (*Federazione Italiana delle Società di Mutuo soccorso*), sent out a circular to the mayors of the Kingdom and the Presidents of the School Patronage Commissions, urging them to initiate and encourage in the various regions the organisation of the collective purchase of books and articles for school use, devoting the profits, now absorbed by numerous greedy middlemen, to favouring the development of school mutual societies. See in this connection, *La Cooperazione Italiana*, organ of the two above mentioned institutions. Milan, No. 1,132. March 26th., 1915.

(2) In France, in the department of Vosges, the forest school mutual societies are now 49 in number. In the year 1912-13, 39 of them had 1,652 members. Almost all have nurseries where the pupils plant, weed, transplant etc. under the direction of the masters. In that year, the mutual societies of the Vosges had 178 nurseries: they had reafforested about 48 hectares of uncultivated land and planted quite 103,212 trees. A part of the profits made is employed on the purchase of seeds, but most is entered in the pupils' pass books and so serves the purposes of thrift.

The profits of the labour of the small "planters" are paid into a common fund, which serves to increase the payments made by them to the school mutual society towards their old age pensions.

"I have thought", so wrote, in regard to this, the French Senator Audiffred, whose words we reproduce here as so well explaining the matter, "that it would be advisable to give each of the school mutual societies an area of 5 or 6 hectares, selected for its fertility, to be reafforested. For a hectare of uncultivatsd land the average price is 200 frs. Intelligently reafforested under the direction of a technical office, it would be worth, in about thirty years, from 2,000 to 3,000 frs. and after ten years it would give no small yield. Every cantonal association should be endowed, from the beginning and very quickly with a capital of from 10,000 to 12,000 frs., to be increased by new donations. The yield from the reafforested land, at first rather small, would in time be 200 or 300 frs. and perhaps more, and the contributions of the pupils to the National Thrift Institute would be thus increased. In this way the young would be initiated in a social work of thrift in the formation of old age pensions and an economic work in the reafforestation of mountains."

With these principles the forest mutual school societies have spread in France. And also in Italy some have arisen, in the provinces of Bologna, Forlì, Cuneo, etc. At Cesena in 1914 the school mutual societies obtained from the Charity Commission (*Congregazione di Carità*) the free use for nine years of an area of 6,000 square metres, where the small members of the mutual societies planted 1,000 Canadian poplars in 1914 and another 1,000 in 1915. The Mutual Society will gradually receive the revenue to be obtained from these plantations, including what may be gained by the felling or lopping of the trees planted during the term of the grant or on its expiry. And since every year 1,000 new Canadian poplars are planted, and those grown to maturity are cut down and sold, it is calculated that one day the school mutual society of Cesena may be in the possession of an annual income of about 10,000 frs.

There are three mutual reafforestation societies in the district of Bologna. In addition to this, in 1912, under the auspices of the local agricultural co-operative consortium, a committee was founded at Cuneo for the promotion of a school forest mutual society. This committee, leasing a piece of ground from a private person, at once undertook the plantation of a forest there, for the benefit of the proposed mutual society.

Finally, we find the principles of forest school mutual societies applied in the province of Rome at Civita Castellana, where, some time ago, a communal forest, likewise reserved for the school mutual society, was started with a thousand trees.

The principles of school mutuality may also be applied in rural schools in connection with rabbit breeding, horticulture, beekeeping etc. For example, the school mutual society of a rural commune of the Province of Turin engages in rabbit breeding and gives part of the profits it makes directly to the pupils, and places part in the social thrift find.

In conclusion, in regard to school mutual societies generally, we think

we may say that, as preparatory to the various forms of compulsory social insurance, they must be appreciated and deserve all encouragement as endeavouring to instil into the minds of the pupils of the schools for the children of the people the virtues of economy and thrift. In Italy certainly the societies have not yet spread to the extent they should, but there is every ground for hope that the wholesome movement may in time gain in force and come into greater favour.

2. MISCELLANEOUS NEWS.

1. — THE "COMITATO NAZIONALE DELLA MUTUALITÀ AGRARIA" AND ITS REGIONAL OFFICES. — Mutual associations, which supply a strongly felt need of the rural population, have in recent years been acquiring more and more importance in Italy, and this is above all true of the mutual livestock and fire insurance associations. There are in fact more than a thousand of the former especially to be found in Northern Italy. Of the latter, there are about 400, more than 200 of them in Piedmont alone.

They are encouraged not only by the Government, which grants subsidies and prizes to the best societies, but also by a special organization, which promotes and regulates the movement in the country districts; the *Comitato Nazionale della Mutualità Agraria*. This Committee, of which the Hon. V. E. Orlando is the President, was founded in Rome four years ago, with the object of "spreading mutual and thrift institutions in the country and bringing their action into harmony with the existing co-operative associations (for credit, production, distribution etc.)" For the purpose it distributes tracts, model rules, forms for the use of the boards of management of the societies, organizes lectures and visits of inspection and diffuses a knowledge of sanitary principles in relation to livestock improvement; in fact it takes all possible steps to reinforce and extend the work of the various forms of agricultural mutual societies (1).

(1) The Comitato Nazionale della Mutualità Agraria is governed by a general Board consisting of nine members: *a*) three nominated respectively by the Departments of Agriculture, and Home Affairs and the National Thrift Institute; *b*) two by the ordinary members; *c*) two by the donating members; *d*) two by members called *benemeriti*. The ordinary members pay an annual contribution of 5 lrs.; the donators are all institutes, co-operative and mutual, paying a contribution of more than 10 lrs. a year; the *benemeriti* are all the organizations. Min-

Among its various activities, special attention must be given to the institution of the *Regional Agricultural Mutual Offices*. And, indeed, as the Committee, from the start, had to extend its action to the whole country, it recognised it could not follow closely, as zealously as it should, the life and progress of the societies in the separate regions, and could not with advantage give from a distance the technical and moral assistance which the farmers so much require, especially in the small centres. It therefore determined on founding organisations to enable it to act with more efficacy *locally*, while they keep in close touch with the Central Committee in Rome and follow its directions. This was the origin of the Regional Agricultural Mutual Offices, of which there are already seven, at Turin, Florence, Reggio Calabria, Genoa, Mantua, Rome and Palermo. These offices, besides giving advice on technical and administrative matters in connection with the foundation and working of mutual societies, act as local centres of propaganda, encouraging the foundation of new associations and deriving inspiration for their work from the requirements and conditions of the various agricultural circles. We shall give some information in regard to certain of these Offices (1) :

Regional Office for Sicily : This office was founded at Palermo on January 7th., 1915, with the help of the Government and the local organisations, with the following aims : (1) to promote, under the guidance of the Comitato Nazionale della Mutualità Agraria, together with the local agricultural institutions (itinerant lectureships, agricultural comizi, consorzi and societies, boards of health and provincial boards etc.), the foundation and equipment for administrative and technical purposes of mutual livestock insurance societies ; (2) to urge the local mutual societies to federate and reinsure ; (3) to spread, especially among the small tenant farmers and landholders, a knowledge of sanitary principles in connection with livestock improvement, and the practice of the association in regard to the improvement of the breeds of livestock ; (4) to diffuse a knowledge among the people of the rules for the constitution and good working of the co-operative and mutual institutes (mutual hail, fire, livestock and agricultural labourers' accident insurance, mutual societies for the exchange of labour etc.) ; (5) to diffuse in the country districts a knowledge of the institutes of thrift and their objects ; (6) to prepare careful and complete statistics of the mutual societies and the statistics of their work ; (7) to study and to attempt to realise, by way of experiment, other forms of agricultural mutuality.

The office carries on its work by means of verbal propaganda, the circulation of publications supplied by the Comitato Nazionale and the

isterial Departments, provinces, communes, savings banks etc. and all individuals furnishing annual subsidies or temporary grants. Recently this Committee was recognised as an incorporated body. See : *La Mutualità Agraria*. Rome, nº. 6, April, 1915.

(1) This information is reproduced from the review *La Mutualità Agraria*, organ of the *Comitato Nazionale per la Mutualità Agraria* and of the above mentioned Regional Offices. Nos. 2, 5, 6 of January 30th., March 30th., and April 30th., 1915.

foundation, equipment and inspection of the management of mutual societies.

The *Tuscan Regional Office:* This was established at Florence, to serve the whole of Tuscany. It has been working for almost a year. It was founded with the intention of reviving in the Tuscan country districts the sense of thrift, through the organisation of farmers in small mutual livestock, fire, hail and labourers' accident insurance societies, and propaganda in favour of the registration of the peasants in the National Thrift Institute.

Up to the present, however, the office has been chiefly concerned with mutual livestock insurance. Thanks to it, societies have been founded for mutual livestock insurance at Prato, Chiusolino, Barga, Tezzana and Montopoli and two for mutual fire insurance at Prato and Massa. Others are in course of constitution and will soon begin work.

The office has likewise carried on active propaganda in favour of horned cattle service station societies, livestock improvement syndicates and associations for the registration of the local breeds in stud books.

The *Calabro-Lucano Office:* The first of the Regional Offices inaugurated was that of Reggio Calabria, founded on November 26th., 1913, the work of which began in the following January.

In view of the special conditions of the regions in which this office works, in which the spirit of association is not strong, its work up to the present has developed slowly in the midst of serious difficulties. It is concerned with propaganda in favour of the constitution of mutual livestock insurance societies and the diffusion, by means of them, of good sanitary principles to be adopted in livestock improvement in order rapidly to attain a considerable progress in regard to livestock, and also with the diffusion of rules for the foundation and efficient working of mutual hail, fire and labourers' accident insurance societies and the collection of accurate statistics of these societies.

The societies it has promoted are now fifteen. They are all legally constituted livestock societies and have about a thousand members and have assured a million frs. Many other societies are in course of being founded.

The office has also contributed to the study of local problems connected with mutuality, such as the livestock question, those of agricultural credit, agricultural contracts etc.

The *Lazial-Sabine Office*: This was instituted on November 1st., 1914. It has its headquarters in Rome. It aims at diffusing the principles of mutuality and thrift in the country districts of Latium and Sabina. It has its own manager and its own special funds, to which the commune and province of Rome, the Savings Bank and various other communes and organisations, as well as the Departments of Home Affairs and Agriculture have contributed. The office has begun its work by organizing a series of lectures and meetings for purposes of propaganda.

With similar objects, the Regional Offices for Piedmont, Liguria and the district of Mantua have been founded and are working, and others

will be founded in time, as it is the firm intention of the above National Committee to found a special agricultural mutual office in every region of Italy.

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2. — LA CASSA MUTUA DEI PROPRIETARI DI FONDI RUSTICI IN TOSCANA (*Mutual Society of Rural Landholders in Tuscany*) AND LA CASSA MUTUA LOMBARDA PER L'ASSICURAZIONE CONTRO GL'INFORTUNI AGRICOLI (*Lombard (Mutual Agricultural Labourers' Accident Insurance Society*). — From the recently published annual reports on the work of these two Mutual Agricultural Labourers' Accident Insurance Societies, we reproduce a few statistics of special interest.

The Tuscan Mutual Society (*Cassa Mutua Toscana*) first began working on April 5th., 1909, extending its action to the provinces of Florence, Arezzo, Siena, Lucca, Pisa, Leghorn and Grosseto (1). It has now completed its sixth year and from its report we learn that on February 28th., 1915, on which date its business year closed, the members were 731, with 931 farms insured, of a total area of 310,095 hectares, of which 135,831 ha. were cultivated with herbaceous plants, sometimes together with vines, and olives and fruit trees, 2,345 ha. were devoted to the special cultivation of vines and olive trees, 122,230 ha. were covered with forests or copse woods and 49,689 ha. were uncultivated grazing ground.

The Mutual Society of Florence insures all persons engaged in any work on farms, whether permanently or temporarily, and since almost everywhere the farms are worked on the system of metayage, not only are all the members of the metayers' families insured, but also temporary and day labourers, workmen employed on buildings in the forests, in threshing etc.

The whole number of the persons on these farms was calculated on February 28th., 1915, at 119,938, of whom 44,455 were men and boys over 13 years of age, 34,931 adult women, 32,192 men and women over 65 years of age and 8,360 children under 13 years of age, though the latter were not insured. We may add 6,800 temporary employees, some of whom are employees for whom insurance is compulsory, that is to say masons, woodcutters, and labourers working machine threshers, who are also registered with the Mutual Society.

The annual premium is fixed in accordance with the area of the farm, account being taken of the various crops, the proportion of the farm population to the area, the special risks in connection with some kinds of cultivation or transformation of produce, the employment of machinery etc.

The complex and variable conditions of farming in the various Tuscan provinces has made it necessary to establish rates of premiums according to area, varying from 0.30 frs. to 1.50 frs. for land cultivated with herbaceous crops or with these and ligneous crops together, whilst in the case of

(1) See *Agricoltura Toscana*, Florence, nº. 9. May 16th., 1915.

forest and copse woods, the premiums are fixed at 0.40 frs. or 0.20 frs. per ha.

The premiums were reduced 20 % in 1914, as the previous years had shown that such a reduction could be allowed without the solvency of the Mutual Society being endangered. The society has, moreover, arranged to form a reserve fund, by means of an entrance fee of 0.50 fr. per ha. of cultivated land and 0.05 fr. per ha. of forest or pasture land and the interest on the amounts deposited. At the end of the sixth working year, on February 28th., 1915, this reserve fund amounted to 104,439.90 frs., which, with the addition of the special reserve fund of 10,000 frs. formed by grants from the Savings Banks and the Tuscan Agrarian Comizi, makes a total of 114,439.90 frs.

The Mutual Society of Florence gives compensations in case of death or permanent total or partial disablement in every case, whether insurance was compulsory or not. Compensations for temporary disablement are only given to victims compulsorily insured. However, in the case of serious consequences due to accidents to labourers not compulsorily insured, giving occasion to expenses in connection with hospital and medical attendance or to prolonged temporary disablement, the society grants suitable assistance, in its sixth year amounting in all to more than 5,000 frs.

The claims paid for deaths amounted to 2,000 frs. for men and 1,500 frs. for women; those for permanent total disablement to 2,400 frs. for men and 1,800 frs. for women. Finally, in case of permanent partial disablement, claims were paid in proportion to the reduced working capacity.

These compensations were paid in the case of accidents to labourers compulsorily insured, while in the cases contemplated in the law of January 31st., 1904, on accidents in work, compensation was given at the rate of six times the annual wages in the case of total permanent disablement, and five times the wages in case of death.

In six years the number of accidents reported to the society in the various months was as follows:

Months	From 1909 to 1915
March	310
April	325
May	298
June	344
July	457
August	356
September	346
October	362
November	282
December	359
January	401
February	346
Total	4,186

The classification of the causes of the accidents is of considerable importance, since there exist almost no statistics of the kind; the figures given by the Mutual Society of Florence which we reproduce below, as it works, as above said, in a region in which the farms vary greatly in character, are therefore specially important. The following table shows the kinds of work in which accidents occur.

Occasion of Accidents	From 1909 to 1915
Woodcutting	875
Falls from Carts, Carting	387
Falls from Trees, Pruning	349
Bricklaying	372
Work in Cellars	188
Herding Livestock	269
Cutting Forage	169
Falls Generally	301
Ploughing, Clearing Land	253
Reaping, Haymaking	290
Various Agricultural Labour	261
Threshing	266
Quarrying Stone, Digging Earth	64
Working with Presses, in Mills	48
Carpentering	53
Supervision, Watchmen's Work	29
Miscellaneous Causes	110
Total	4,186

In the following table we classify, finally, the accidents according to their consequences:

Consequences of Accidents	From 1909 to 1915
Death	51
Permanent Total Disablement	1
Permanent Partial Disablement	230
Temporary Disablement giving Claim to Compensation and Assistance	1,680
Temporary Disablement giving no Claim to Compensation	3,104
Accidents under Consideration	120
Total	4,186

The amount of claims paid for accidents between 1909 and 1914 was altogether 323,914.13 frs.

With regard to the Lombard Mutual Society (*Cassa Mutua Lombarda*), we shall only mention that the accidents for the working year 1914 were altogether 207, but only 183 have been finally dealt with. For 176 temporary compensation was given, amounting altogether to 3,919 frs.; in a case of death not giving claim to compensation a subsidy of 400 frs. was paid; in 6 cases of permanent partial disablement a total amount of 1,040 frs. was paid in compensation.

It was further ascertained that the victims of accidents were 30 children, 161 men and 16 women as follows:

	Number
Between the age of 18 and 20 years	17
» » 21 » 30 »	38
» » 31 » 45 »	49
» » 46 » 60 »	46
» » 61 » 65 »	7
Over 65 years of age	7
Age not stated	13
	177
In addition, 30 children between 12 and 14 years of age.	30
Total . . .	207

The accidents occurred at various seasons, but were most frequent in the months of intensest labour, and in those in which special work had to be done, for example, in silkworm rearing, which gave rise in May and June to the greatest number of accidents among women.

We think it well also in the case of this society to reproduce the classification that has been made of the causes of the accidents.

	Number
Falls from Carts and Haystacks	56
Herding Livestock	37
Carting Produce	25
Haymaking	14
Wounds from Cutting Implements	13
Woodcutting	12
Silkworm Rearing	9
Mowing	7
Punctures Received in Various Kinds of Work	6
Lopping Trees	4
Pruning	4
Threshing	4
Working with Various Machines	2
Vintaging and Working in Cellars	2
Various Agricultural Work	12
	207

From this table of the causes of accidents we find, in accordance with the expectations of the experienced, that the most serious and ordinary agricultural risks do not occur in the use of machines, but in the specific work involved in the very nature of agriculture, and they are injuries caused by farm livestock, or due to falls, especially from haystacks and carts, and occupations apparently not at all dangerous, but in practice found to be so, such as the rearing of silk worms.

The injuries of which we have given the causes affected the following parts of the body:

Feet	51
Hands	46
Trunk	38
Legs	38
Arms	16
Head	8
Face	6
Eyes	3
Groin	1
	207

Of the consequences of the accidents we have already spoken in connection with the claims for compensation, nor have we anything further to add.

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3. — THE NEW SAVINGS BANK BOOKS TO BEARER AT THE POSTAL BANKS. — In the number of this Bulletin for last January we noticed an important Decree No. 1,378 (1) of December 20th., 1914, in which the Italian Government, with a view to the further encouragement of thrift by making the operations of deposit and withdrawal easier and more expeditious, instituted books to bearer at the postal savings banks. The system of savings bank books, which the principal post offices of the Kingdom and the Colonies are authorized to issue, came into force on the first of July. It is regulated according to the provisions of the Decree No. 763 (2) of May 16th., 1915, the principal of which we shall summarise here.

Deposits: Deposits may in the first place be made (*a*) by means of money ; (*b*) or matured coupons of the Government debt to bearer or order. No deposit may be made of less than 1 franc or more than 6,000 frs. Amounts in deposit in excess of 6,000 frs. bear no interest. On the occasion of the first deposit a savings book to bearer is issued to the depositor free of charge, in which receipt is given with note of the amount paid. It is in the power of the depositor to indicate the name and address of the person to whom the book is to be made out. The office will then see that these particulars are entered in the book. Every deposit is forwarded to the Head Office by a special money order. The Head Office credits the amount of the various orders to the different books.

Withdrawals: The owner of a book to bearer may demand payment of all or part of the credit entered in the book. Usually not less than 1 franc may be withdrawn, except in the case of interest matured or settlement of accounts. Any sum may be withdrawn at sight. In case of withdrawal, when the book has been issued by an office other than that in which demand for payment is made, the head office must always verify the credit. This verification may be arranged for by telegram at the cost of the party concerned. When there are disagreements between the entries in the books and the entries at the office, or other irregularities that may arouse suspicion of alteration or fraud, the repayments are suspended, as also in the case of want of funds. But the suspension, as a rule, may not be protracted beyond the period required for correcting the book or obtaining the necessary funds.

Interest: The interest paid on the deposits is fixed each year (3) or half year, as the conditions of the market require, by Decree of the Treasurer after consultation with the Ministers of Agriculture, Industry and Com-

(1) This Decree was later amended by another, No. 533 of April 1st., 1915.

(2) See *Gazzetta Ufficiale del Regno d'Italia*, Rome, No. 153, June 19th., 1915.

(3) In the present year the rate is fixed at 2.52 % free of income tax.

merce and Posts and Telegraphs and is published in the Official Gazette and posted at the office windows of the post office.

The interest begins from the fortnight after deposit and for amounts withdrawn ceases from the first day of the fortnight in which the money is withdrawn. When the rate of interest is changed, the new rate is charged on the remaining credit and on future amounts deposited or withdrawn.

The interest for each year is added to the capital in the book and bears interest itself from the first of January following.

Finally there is an important article providing that the book is not distrainable, nor may it be made subject to a lien. Nor is opposition to withdrawal allowed. Distraint is only allowed when ordered by a judge of the criminal court.

Part III: Credit

COSTA-RICA.

THE INFLUENCE OF THE EUROPEAN WAR ON PRODUCTION AND CREDIT IN COSTA-RICA.

OFFICIAL SOURCES :

DECRETO Nº 15 : CREA UNA INSTITUCIÓN DE CRÉDITO EMISORA CON EL NOMBRE DE BANCO INTERNACIONAL DE COSTA RICA, QUE SERÁ ADMINISTRADO POR PARTICULARES BAJO LA VIGILANCIA INMEDIATA DEL PODER EJECUTIVO. (*Decree No. 15 establishing a Bank of Credit and Issue to be known as the International Bank of Costa-Rica, the management of which is to be entrusted to private persons under the immediate supervision of the Executive Power*). *La Gaceta*, 2nd. half-year, No. 86, San José, October 10th., 1914.

REGLAMENTO INTERIOR DEL BANCO INTERNACIONAL DE COSTA RICA. (*Internal Regulations for the International Bank of Costa-Rica*). *La Gaceta*, 2nd. half-year, No. 105, San José, November 3rd., 1914.

DECRETO Nº 32 SOBRE ORGANIZACIÓN DE JUNTAS DE CRÉDITO AGRÍCOLA.(*Decree No. 32 on the organisation of agricultural credit boards*). *La Gaceta*, 2nd. half-year, No. 153. San José, December 31st., 1914.

§ 1. INTRODUCTION.

When we consider how great have been the injuries inflicted by the European war on neutral countries endowed with a solid economic organisation, we shall readily understand the importance of the disturbances caused thereby in countries such as the Republics of Central America, still in the initial stage of their economic and financial development, and which have as yet only availed themselves of a small portion of their natural resources.

Of these Republics one of those most severely affected by the European crisis has undoubtedly been Costa-Rica. The main source of wealth of this preeminently agricultural country consists in the cultivation and ex-

portation of bananas and coffee (1) which, as shown by the statistical returns, account for nearly 80 per cent. of the total value of its exports.

The almost complete closing of the markets of those belligerant countries which absorbed approximately 50 per cent. of the exports of Costa-Rica, and the commercial stagnation and reduced consumption of these products in other countries, naturally created a most difficult situation for the agricultural interests of Costa-Rica, and consequently for the whole economic status of the country which is based thereon.

It is true that the market of the United States, Costa-Rica's largest customer, still remained open, but the prices offered by American importers spelt ruin for the farmers; and this will be readily understood when we bear in mind the wide-spread disturbance of trade, the great rise in freight charges, the high rates of maritime insurance, etc.

The country was therefore compelled to rely exclusively on its own resources to save it from economic disaster. Its first need was that of capital so as to allow the producers to store their crops instead of being compelled to sell them at ridiculously low prices, when indeed they could find any purchaser at all, given their pressing needs, their liabilities, and the difficulties they had to overcome. And here it is well to remember that the country is passing through a period of evolution in the matter of the exploitation of its natural resources, and that under these circumstances agriculture has to rely for support on credit, therefore agricultural savings may be said to be non-extant as a factor in national economy.

On the outbreak of the European war the credit banks reduced their business considerably, demanding a very high rate of interest for the few loans they were willing to negotiate. As it was no longer possible to rely on the assistance of the banks, Government intervention became necessary.

But as the revenue derived from customs duties is the main resource of Costa-Rica, and imports having been greatly reduced as a result of the perturbed economic conditions the world over, the government had to face a budget the equilibrium of which was gravely compromised and was therefore without the financial resources required to ward off the serious crisis which threatened agriculture and the country in general. It is evident that the problem was a most difficult one, and one which the public authorities had to deal with without delay by adopting the measures which we shall now describe.

§ 2. Government proposals to meet the financial crisis.

As soon as the European war broke out the Government realised that it would lead to a nation-wide financial and economic crisis.

It therefore undertook without delay the study of the problem with a view to its rapid solution.

(1) See the number of this Bulletin for December, 1912, p. 116.

The brief exposé of the situation given above shows that the most urgent need was to obtain money, with a view to supplying the requisite funds to agricultural and industrial concerns. Indeed, the absence of commercial paper on foreign countries threatened to lead to the exportation of gold, the reduction of banking operations, and the withdrawal of a considerable proportion of private deposits from the banks, phenomena due to the uncertainty of the situation and which would lead to a heavy loss on the monetary circulation.

The government, desirous of solving the difficulty with the assistance of the financial institutions of the country, took the necessary steps to come to an agreement with the banks of issue. (1). In the course of these negotiations the Executive submitted three proposals with a view to the banks supplying the requisite funds.

The first proposal called on the banks to unite their resources by amalgamating into one institution with government support. It contemplated the unification of the monetary circulation, and granted important concessions to the banks of issue in exchange for which they were to supply agriculturists, industrial concerns, and the government itself with the requisite funds. The second proposal simply called on the banks to issue bank-notes up to an amount of three million colons (2) under their own supervision and control; the said sum to be equally divided, on fixed conditions as to interest and repayment, between the government and the agricultural and industrial classes. The third and last proposal called for a loan to be made by the banks to the government for the sum of 2,000,000 colons at 3 per cent., which sum the banks were to obtain by means of an emergency issue to be made on the security of government bonds. The banks were to undertake to organise a service of loans on behalf of the rural and industrial classes at a maximum rate of interest of 10 per cent., and to prolong the life of loans already in course until one year after the ratification of peace in Europe. On its side, the Government undertook that the notes issued by the Bank should not be convertible before the same date, and to enact a moratorium for all private liabilities for the same period, in those cases in which creditors refused to accept bank notes in payment of debts.

As we see, these three proposals sought to solve the problem without having recourse to measures which might adversely affect the interests of the banks. These latter, however, considered that the proposals were not sufficiently advantageous and rejected them, whilst making counter-proposals of their own which the Government dit not see fit to accept.

As the negotiations entered into with a view to securing the support of the banks for the proposed issue of notes were unsuccessful, the Government decided in favour of a solution which, in a different form, fully guarantees this issue which was absolutely necessary in the interests of the

(1) There are four banks of issue in Costa-Rica: the Bank of Costa-Rica, and Anglo-Costa-rican Bank, the Commercial Bank and the Mercantile Bank.

(2) 1 *colon* = Francs 2,41.

country. This solution is based on the foundation of the International Bank, established for this purpose.

In founding this Bank the Government aimed at preserving agriculture, the one source of national wealth, from all possible injuries from whatsoever cause. This consideration points to the line of conduct laid down for the bank in its dealings with rural interests. On the other hand, this special bank of issue, established to meet the needs of the moment, will in no way adversely affect the interests of the banks already in existence.

With this end in view the new bank will only undertake business which shall be acceptable to its directorate, but which other banks have refused. Thus the amount of business done by the new bank will be determined by that transacted by the old established ones, and consequently if these latter suffice for the needs of the country the new bank will do no business, and, therefore, will issue no notes. The emergency issue will therefore depend on the action of the other banks.

§ 3. Aims and organisation of the international bank of costa-rica.

This bank was established by a decree of October 10th., 1914 and the regulations regarding it were published on the 29th. of the same month. It is a State Bank of Credit and Issue, managed by private parties under the supervision of the executive authorities.

The bank is authorised to issue notes for a value of 4 million colons, guaranteed by Treasury bonds. Loans may be granted to the government for an amount not to exceed half the above sum, so as to meet the liabilities and needs of the state. The other two millions, the issue of which is authorised, will be at the service of the public as an emergency fund, and will be more especially used to support and encourage agriculture and other industries during the present crisis.

By this means the exporter of coffee, whose credit has been suspended or seriously interfered with as a result of the European conflict, can obtain from the bank the sums he needs to meet the cost of cultivating his estates and to make the necessary advances to his planters, on condition that he can prove that under normal conditions he could dispose of credit for a similar amount, that he is in the condition above described, and that the value of his growing crops and of the coffee purchased is sufficient to cover the loan he asks for.

The executive authorities are entitled to draw sums up to 200,000 colons, to be used for granting rural credit, this sum to be deducted from the amount set aside for loans to private persons.

Applications for loans from private persons will be dealt with as follows: The applicant will send in his application, notifying the degree of urgency for the loan, its amount, the conditions on which he wishes to borrow, and the security he offers. The Board of Directors of the International Bank will examine the application to see if it complies with the special nature of

the business it transacts, and if this is so, and if the security offered and the conditions proposed are acceptable, the application will be transmitted through the agency of the Director, together with the report of the Board, to the administrators of the four banks of issue existing in the country, with a view to their granting the loan if they see fit. If they do not agree to do so within a period of three days the International Bank of Costa-Rica will make the loan paying it in notes issued by itself.

In the case of small loans, the maximum and minimum amount of which will be settled by the Board of Directors, it will not be necessary to refer the application to the other banks for their right of option, and the said small loans may be granted on the simple approval of the Director.

The life of the loans will be determined by the Board of Directors. The rate of interest may not exceed 10 per cent. per annum. The interest on same, after deducting therefrom the cost of installation and administration and of the credits to be repaid, will be used to form a special fund to be employed in importing gold into the country.

No individual, corporation, or firm may obtain loans from the bank for sums exceeding 20,000 colons.

The notes issued by the International Bank of Costa-Rica will be accepted in all the bureaux of the administration of finance, and will be cancelled in the same way as other bank notes now in circulation. Their conversion will begin one year after the date of the ratification of the European peace, should the executive powers deem this to be desirable.

The International Bank will be an institution of a transitory nature, and will last only so long as the effects of the present economic and financial crisis, to meet which it was established.

§ 4. The agricultural credit boards.

After securing the requisite resources by the special issue of bank notes as described above, and after satisfying by means of direct loans the requirements of the large producers and of exporters in general, more especially of coffee planters and exporters, it was necessary to provide a subsidiary measure by which the financial aid of the State might be extended to the class of small land-owners, growers of cereals and other food-stuffs required by the country. Such a measure had already been applied in the rural districts of Costa-Rica before the present crisis ; and since the crisis the facilitations afforded to this class of farmers have been increased. These small farmers when compelled to seek for credit to meet their liabilities were obliged, either as a result of commercial stagnation and the impossibility of obtaining assistance from the banks which refused all credit, or because they lived at great distances from banks which transact such business, to have recourse to professional money-lenders on ruinous terms.

It was therefore necessary that the money which was to tide the agricultural population through this terrible crisis and save it from the curse of

usury, should be spread throughout the country, so that small land-owners in all sections might avail themselves thereof.

For this purpose, and in order to complete the task it had undertaken by establishing the International Bank of Costa-Rica, the government by a decree of December 30th., 1914, established a system of Agricultural Credit Boards.

This decree authorises the International Bank to establish and organise these boards. For this purpose it can avail itself of the sum of 200,000 colons, of which mention was made when describing the organisation of the bank (1). These boards will be established preferably in those districts in which their financial assistance is likely to be of the greatest use in view of the nature of the rural population and of the crops it raises and of the inadequacy of its resources for carrying out the necessary farming operations.

The agricultural credit boards will consists of not less than three and not more than five members, who must be farmers of notoriously good conduct, each owning freehold property worth at least 2,000 colons. The Board will elect from among its members a chairman, secretary, and treasurer. The International Bank will assign to each Board the sum which it shall judge proper in view of the ends sought. This will be done by opening a current account for that amount, which the Board can make use of by drawing cheques on the International Bank. The Boards, in their turn, will distribute the sums thus placed at their disposal in the form of loans to the inhabitants of the district. The amount of the loan granted to any individual may not exceed 250 colons. These loans are to be used exclusively in cultivating and harvesting cereals, vegetables, and other products of prime necessity, with the exception of coffee.

Applications to the Boards for loans must state the sum required, the purpose for which it will be used, the conditions of repayment and the security offered. The applications will be examined at a general meeting of the Board which will grant the same if in accordance with the conditions regulating the loans, if the security offered is adequate, and if the duration of the loan is not to exceed one year.

The loans granted by the Boards are repayable by instalments covering both capital and interest. They will be called in in default of payment of one of said instalments.

All business transacted by these Boards in connection with their duties will be exempt from stamp-duty; moreover, the certificates delivered at the request of the chairmen of the Boards by the land-estate registries, and the cancelling of mortgages given in security of the loans which the Boards may grant, will also be exempt from registration fees.

The Boards will pay to the Bank 6 per cent. per annum as interest on the sums placed at their service, and they will demand of borrowers interest not to exceed 12 per cent. per annum on the loans they grant.

(1) See above, § 3.

Lastly the decree enacts that the members of these Boards shall be collectively liable to the Bank for the sums which they draw under its provisions. On the other hand, these same members, as compensation for their services, will be entitled to the net profits accruing from the transactions, after deducting the 6 per cent. interest due to the Bank, which will divide its profits in equal or proportionate shares.

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The brief account given above shows that the Government of the Republic of Costa-Rica has sought in the solution it has given to the industrial and agricultural crisis arising from the European war, to disturb as little as possible the financial equilibrium of the country. With this end in view, when it found itself unable to secure the assistance of the banks of issue, it arranged matters so that the emergency issue of the International Bank will serve solely to counterbalance the falling off in the loan business transacted by the other banks. This shows a great deal of prudence on the part of those who are entrusted with the administration of the country, even in moments of great difficulty.

But the government deserves praise not only for its prudence but also for the energy it has displayed in averting a paralysis of the national industries, which are essentially agricultural.

By its prompt action it has avoided the ruin of the country, granting financial assistance in the form of direct loans to large land-owners and large exporters, and providing loans for small farmers through the Agricultural Credit Boards.

It is therefore to be hoped that the steps taken by the government authorities in supplying the farmers with the capital they require to carry on their undertakings, will make it possible for the agricultural industries of Costa-Rica to develop progressively, and thus promote the full utilisation of the fertile soil of the Republic.

FRANCE.

ORGANISATION AND WORK OF THE REAL ESTATE CREDIT SOCIETIES. (*Conclusion*).

Results obtained.

The Real Estate Credit Societies, as we have seen at first made very slow progress and though the earliest was founded on October 20th., 1908 yet it was not till 1912 that the movement in this direction became decidedly marked. In that year alone 13 societies were legally recognised. In every month of 1913 the establishment of one or more societies took place ; recognition was granted in January to four societies, in April to six, in May to three, in June to seven, in July to seven, in August to three, in September to five, and in October to two. From January 1st. to October 31st., 1913, thirty-seven societies received legal recognition.

According to M. Bernard d'Avout, who has made a special study of the subject, and to whom we are greatly indebted for the material of this article, at the beginning of December, 1913, the total number of real estate credit societies was 61 against 24 in December, 1912.

Other societies are in process of formation and some of these have already raised the minimum amount of capital required by the law. These are the societies of Pontoise, Valence and Vieux Condé ; while others, namely those of Decazeville, Montbard, Toulon, Troyes and Versailles, have sent requests for recognition to the Ministerial Department. M. Bernard d'Avout mentions societies in contemplation at Abbeville, Algiers, Avignon, Béthune, Carcassonne, Clermont-Ferrand, Evreux, Montpellier, Moulins, Nantes, Orange, Rennes, Rodez and Saint-Dié.

These 61 societies have head offices in 58 localities. Three cities have two societies each; these are Paris with the central society and the society of Ile-de-France, Nancy with the societies for Lorraine and the department of Meurthe-et-Moselle, and Limoges with the society of Haute-Vienne and that called "Le Nid".

Such societies are beginning to spread throughout the whole country ; we meet them in the north in Pas-de-Calais and Nord, in the east at Longwy, Nancy and Troyes, in the south at Marseilles and Perpignan, in the south east at Grenoble, in the west at Bordeaux, in the centre at St. Etienne and Lyons, and also in Normandy. There are many more of these societies in the north and east than in the south, and all belong to 35 departments. The department which contains the greatest number is Nord, with ten, of which four are in the arrondissement of Valenciennes, namely Valenciennes, Blanc-Misseron, Condé, and Saint-Armand-les-Eaux, and one in each of the other arrondissements. Then follows Meurthe-et-Moselle with four societies, of which two are at Nancy, one at Conflans-en-Jarnisy, and one at Longwy.

Next come Seine-Inférieure, Pas-de-Calais, Seine and Isère, each with three societies, and Aisne, Haute-Vienne, Basses-Pyrénées, Seine-et-Marne, Seine-et-Oise and Loire, each with two societies. In each of twenty-three other departments there is only one, and fifty-one departments as yet have none.

On December 31st., 1912 the total amount of credits opened to 17 real estate credit societies was 6,919,500 francs, of which sum 3,371,000 francs have been drawn.

From January 1st., to November 24th., 1913 the advances agreed to by the Commission for loans to the real estate credit societies amounted to 11,919,500 francs.

Forty-seven societies received loans.

The total amount of the credits opened to these societies since their first establishment is 18,839,000 francs, giving an average of 400,830 frs. per society. Of this sum 9,300,000 francs have been drawn.

The share capital of 61 societies amounts to 11,792,000 frs. The society which possesses the largest capital is that of Lille, founded March 29th., 1911, with a capital of 600,000 fr., which has now been raised to 1,100,000 frs. The society for the region of Saint Denis at Epinay (Seine) has a capital of 1,000,000. frs. But, as a general rule, the societies avail themselves of the facilities which the law allows them and are founded with the minimum amount of capital; the result of this is that of 37 societies which were recognised in 1913, twenty-six have a capital of 100,000 frs.

The society of Lille is not the only one that has increased its capital, for that of the Society of the Ile-de-France has been raised from 215,000 frs. to 252,000 frs. The society of Marseilles, founded in February, 1913, with a capital of 100,000 frs. has now a capital of 125,000 frs. and contemplates soon increaring this sum. The Central Society has more than doubled its capital, which has been increased from 200,000 frs. to 500,000 frs. and the same has happened at Perpignan. On January 1st., 1914, the society of Avesnes at Maubeuge increased its capital from 171,500 frs. to 300,000 frs., of which 101,250 frs. was paid up.

M. Bernard d'Avout has collected as numerous and accurate particulars as possible of 41 societies recognised on July 1st., 1913. On November 15th., 1913, these societies had received 1,970 loans, amounting to a total of 11,953.680 frs., giving an average of 6,067 frs. per loan ; 595 loans in addition were about to be made for a total amount of 3,027,218 frs.

In the two following tables M. Bernard d'Avout shows the condition of 61 societies, and in the clearest manner points out the increase in the credit for the building of cheap dwelling-houses. The first and more detailed table, besides giving interesting data in regurd to the history of each society, shows the share capital, the number and amount of loans effected from the time of formation and those in course of being granted, the assistance received from the departments, asylums, savings banks and other societies, and finally the object of the loans. This table relates to the 45 societies legally recognised from the promulgation of the law of April 10th., 1908 up to July 1st., 1913. Their business is only shown up to November 15th., 1913.

The second table enumerates the societies legally recognised since July

1st., 1913 up to December 1st., of the same year, a period too short to furnish any details of interest in connection wirth their business operations.

Real Estate Credit Societies Legall

Transactions up t

Numerical Order	Head Office	Name of Society	Share Capital (in francs)	Date of Legal Recognition	Loans Effected since Foundation		
					Number	Amount (in francs)	Averag
1	Arras	Real Estate Credit Society of Pas-de-Calais	236,800	24 Dec. 1908	223	907,427	4,07
2	Le Hâvre (1) .	Hâvre Real Estate Credit Society . . .	260,000	29 Jan. 1909	130	580,713	4,47
3	Dieppe	Real Estate Credit Society of the Arrondissement of Dieppe	225,500	20 Jan. 1910	not shown		
4	Belfort (2) . .	Society for the Encouragement of Cheap Dwelling Houses . .	230,000	13 Aug. 1910	88	542,907	6,17
5	Pau	Real Estate Credit Society of Pau . .	200,000	25 May 1911	23	145,000	6,30
6	Paris (3) . . .	Central Real Estate Credit Society . . .	500,000	8 Feb. 1911	184	1,479,000	8,40
7	Nancy (4). . .	Real Estate Credit Society of Meurthe-et-Moselle	200,000	11 April 1911	2	not shown	not shown
8	Lille	Real Estate Credit Society of the Arrondissement	1,100,000	18 April 1911	651	4,299,850	6,21
9	Bordeaux . .	Real Estate Credit Society of the Gironde	204,000	10 July 1911	not shown		
10	Chaumont . .	Real Estate Credit Society of Haute-Marne	200,000	24 July 1911	31	168,800	5,40
11	Blanc-Misseron	Real Estate Credit Society of the Sambre	500,000	4 Aug. 1911	The Society has not yet		
12	Paris (5) . . .	Real Estate Credit Society of Ile-de-France	252,000	11 April 1912	178	1,161,062	6,52
		Carried Forward . . .	4,108,300		1,510	9,284,759	»

(1) 28 loans for the purchase of gardens (division of a forest into lots). — 2 For the purchase directly or through the intervention of the societies for cheap dwelling-houses. — 3 The figures given is to be made within 20 years, at farthest within 55. The State has opened credits to the amount

The amount of their share capital, the dates of their foundation and recognition are the only particulars M. d'Avout could obtain.

Recognised up to July 1st., 1914.

November 15th., 1913.

Loans in Course		Assistance Received from the			Object of Loans
Number	Amount (in francs)	Department or Town	Savings Bank	Asylums or Charitable Institutions	
9	45,000	Guaranteed by the Department.	Has bought some shares on its own account.	nothing	For large groups of houses.
not shown		No support asked for			Le Hâvre and immediate suburbs.
not shown		Capital subscribed only by private individuals			Town or Country.
20	not shown	No support asked for			For industrial centres.
5	31,000	Supported exclusively by private initiative			Suburb of Pau.
70	573,000	Guaranteed by the Department.	Has subscribed part of the capital	nothing	Seine and Seine-et-Oise.
1	not shown	nothing	nothing	Assisted by Asylums.	The Town.
37	225,000	Guaranteed by the town and depart. and capital increased by 400,000.	Roubaix: 50,000	nothing	The town, suburbs and neighbourhood.
not shown		nothing	Libourne: 10,000	Charitable Institution 6,000.	not shown.
not shown		nothing	nothing	nothing	26 loans for the Town, 5 for the Country.
run business		nothing	nothing	nothing	
59	388,940	Guaranteed by the department of Seine.	nothing	Railway and Metropolitan Company.	Building of houses in Seine, Seine-et-Oise and Seine-et-Marne.
01	1,262,940				

ouses. — 100 for building houses. — (2) The loans are made to private individuals, whether those for November 20th., 1913. — (4) Society still in course of organization. — (5) The repayment 850,000 francs.

Real Estate Credit Societies Legally Recognised

Transactions up to

Numerical Order	Head Office	Name of Society	Share Capital (in francs)	Date of Legal Recognition	Loans Effected since Foundation		
					Number	Amount (in francs)	Average
		Brought Forward .	4,108,300		1,510	9,284,750	»
13	Besançon . . .	Real Estate Credit and small Holdings Encouragement Society	200,000	17 May 1912	18	about 96,000	5,200
14	Saint-Omer (1).	Real Estate Credit Society of the Arrondissement.	125,000	3 June 1912	55	210,247	3,800
15	Dijon (2) . . .	Real Estate Credit Society of the Arrondissement.	220,000	12 June 1912	48	226,123	4,710
16	St. Etienne . .	Assistance for S. Etienne Dwelling Houses.	200,000	20 June 1912	20	132,519	6,625
17	Lyons	Lyons Real Estate Credit Society.	200,000	24 July 1912	33	209,929	6,360
18	Rouen (3). . .	Real Estate Credit Society of the Arrondissement.	140,000	29 July 1912	40	230,000	5,750
19	Charleville (4).	Real Estate Credit Society of Ardennes.	100,000	2 Sept. 1912	19	110,000	5,800
20	Saint-Chamond (5)	Real Estate Credit Society of S. Chamond.	200,000	29 Oct. 1912	12	66,000	5,000
21	Perpignan . .	Real Estate Credit Society of Pyrénées orientales.	200,000	22 Nov. 1912	18	124,547	6,920
22	Coulommiers . (6)	Real Estate Credit Society of the Arrondissement.	100,000	17 Dec. 1912	10	52.786	5,280
23	Amiens (7) . .	Real Estate Credit Society of Somme.	200,000	27 Dec. 1912	about 25	135,000	5,400
24	Maubeuge (8) .	Real Estate Credit Society of the Arrondissement of Avesnes.	300,000	29 Jan. 1913	52	304,300	5,850
		Carried Forward . . .	6,293,000		1,860	11,182,210	»

(1) From September 4th., 1904 to May 2nd., 1912, 54 loans were granted at St. Omer to the Re houses built. — (4) The principal shareholders require paid up shares, and the paid up capital is 70,375 capital will soon be increased. — (7) Received on May 9th., 1913 a first credit of 400,000 fr. Its borrowi

p to July 1st. 1913 (*Continued*).

November 15th., 1913.

Loans in Course		Assistance Received from the			Object of Loans
Number	Amount (in francs)	Department or Town	Savings Bank	Asylums or Charitable Institutions	
201	1,262,940				
10	54,000	nothing	33,000	33,000, asylums and 33,000, charitable institution.	Besançon and Pontarlier.
not shown		nothing	10,000	nothing	Town and Country.
4	12,000	nothing	50,000	20,000, hospital	33 loans for town, 15 for country places.
4	18,500	nothing	nothing	30,000, asylums	S. Etienne and suburb.
22	not shown	nothing	founded the Society and subscribed 93,000	nothing	Lyons and suburb.
30	not shown	Rouen: 25,000	nothing	nothing	Rouen and suburb.
not shown		nothing	30,000	nothing	Charleville, Sedan and industrial centres of the valley of the Meuse.
2	not shown	nothing	nothing	nothing	Building of private houses near workshops.
46	300,000	Department 10 shares of 100 fr.	380 shares of 100 fr.	nothing	12 loans for Perpignan, 6 for the country.
not shown		nothing	The Société y e branch of the Savings Bank.	nothing	All the houses are in the country.
not shown		Guaranteed by the Department.	nothing	nothing	Not shown.
150	about 800,000	Guaranteed by the Department . .	Maubeuge 35,000	nothing	Workmen who build outside towns.
,69	2,447,440				

ate Credit Society of Pas-de-Calais. — (2) Transactions concluded up to November 23rd. — (3) 35 Received from the State a loan of 100,000 fr. The Society is not called upon to extend itself. — (6) The ver exceeds one million. — (8) The capital was raised from 171,500 fr. to 300,000 fr. on January 1st., 1913.

Real Estate Credit Societies Legal

Transactions up t

Numerical Order	Head Office	Name of Society	Share Capital (in francs)	Date of Legal Recognition	Loans Effected since Foundation		
					Number	Amount (in francs)	Averag
		Brought Forward .	6,293,000		1,860	11,182,210	"
25	Croissy (Seine-et-Oise). . .	Cheap Dwelling House Encouragement Society	100,000	29 Nov. 1912	4	33,000	8,30
26	Dunkirk . . .	Real Estate Credit Society of the Arrondissement	100,000	18 January 1913	8	59,620	7,4
27	Caen	Real Estate Credit Society of Calvados	200,000	29 January 1913	34	247,000	7,2
28	Blois (1) . . .	Small Holdings Encouragement Society	150,000	9 January 1913	12	111,454	9,2
29	Reims	Real Estate Credit Society of the Arrondissement	215,000	8 April 1913	7	48,816	6,9
30	Bayonne . . .	Bayonne Real Estate Credit Society . . .	100,000	3 April 1913	nothing	nothing	noth
31	Marseilles. . .	Marseilles Real Estate Credit Society . . .	125,000	5 April 1913	10	50,000	5,0
32	Grenoble . . .	Real Estate Credit Society of Grenoble, St. Marcellin and La Tour-du-Pin . .	200,000	3 April 1913	3	20,000	6,6
33	Angoulême (2).	Real Estate Credit Society of Charente.	100,000	17 April 1913	nothing	nothing	noth
34	Epinay (Seine)	Real Estate Credit Society of S. Denis.	1,000,000	17 April 1913		not shown	
		Carried Forward .	8,583,000		1,938	11,752,100	"

(1) The first advance from the Pension Society dated April 1st., 1913 was 50,000 frs. 9
February, 1914.

Recognised up to July 1st., 1913. (Continued).

November 15th., 1913.

Loans in Course		Assistance Received from the			Object of Loans
Number	Amount (in francs)	Department or Town	Savings Bank	Asylums or Charitable Institutions	
469	2,447,440				
8	66,000		not shown		The Society makes loans only to the heads of families interested.
6	41,803	Guaranteed by the Department.	nothing	nothing	In the Country.
12	87,060	100,000 fr. subscribed by the Department.	Subscriptions not solicited		Caen, not in the Country.
not shown		nothing	Took 10 shares and offered staff and and premises.	nothing	To employes at Blois. The Society made a loan of 40,000 frs. to a co-operative society.
1	7,600	nothing	50,000 fr. and premises.	nothing	Real Estate at Rheims.
3	16,875	nothing	nothing	nothing	Not shown.
not shown		not solicited	20,000 fr.	not solicited	Marseilles.
13	70,000	are to be solicited	Took 50 shares of 500 frs. & lends premises.	nothing	For any thrifty Workman in Town or Country.
no-hing	nothing	nothing	nothing	nothing	Not shown.
not shown			not shown		Not shown.
512	2,736,718				

n the Pension Society has granted another 90,000 francs. — (2) The Society only began lending in

Real Estate Credit Societies Legally

Transactions up to

Numerical Order	Head Office	Name of Society	Share Capital (in francs)	Date of Legal Recognition	Loans Effected since Foundation		
					Number	Amount (in francs)	Average
		Brought Forward .	8,583,000		1,938	11,752,100	
35	Vienne	Real Estate Credit Society	100,000	16 May 1913	nothing	nothing	nothing
36	Nancy (1) . .	Loraine Real Estate Credit Society	100,000	27 May 1913	nothing	nothing	nothing
37	Nogent-sur-Seine . . .	Real Estate Credit Society	100,000	27 May 1913	3	15,180	5,060
38	Valenciennes .	Valenciennes Real Estate Credit Society	100,000	4 June 1913	8	40,000	5,000
39	Cambrai . . .	Cambrai Real Credit Society	100 000	4 June 1913	nothing	nothing	nothing
40	Longwy . . .	Real Estate Credit Society	100,000	4 June 1913	not shown		
41	Sens (2) . . .	Real Estate Credit Society of the Arrondissement	100,000	4 June 1913	1	3,800	3,800
42	Lons le-Saunier	Real Estate Credit Society of Jura	100,000	4 June 1913	not shown		
43	Hazebrouck .	Real Estate Credit Society of the Arrondissement	100,000	9 June 1913	nothing	nothing	nothing
44	Hirson	Real Estate Credit Society of Aisne	200,000	18 June1913	nothing	nothing	nothing
45	Douai (3) . .	Real Estate Credit Society of Douai	300,000	1st July 1913	20	142,600	7,130
		Total . . .	9,980,300		1,970	11,953,680	6,067

(1) The Society will lend only to co-operative societies. — (2) The first transaction was carrie amount of 187,500 francs.

Recognised up to July 1st., 1913 (Concluded).

November 15th., 1913.

Loans in Course		Assistance Received from			Object of Loans
Number	Amount (in francs)	Department or Town	Savings Bank	Asylums or Charitable Institutions	
512	2,736,718				
nothing	nothing	not solicited	20,000 fr.	5,000 fr. from charitable institution.	For the Country.
nothing	nothing	nothing	5,000 fr. from the Luneville Savings Bank.	nothing	The society will lend at 2 ½ % to affiliated co-operative societies, and to the Loraine Union and at 3 ½ % to members of these societies.
5	24,000	nothing	Has taken 6,000 fr. worth of shares and lends premises.	nothing	For the Town, to resist high rents.
15	70,000	nothing	Has taken 73 shares of 500 fr. and lends premises.	nothing	Town and Country.
20	130,000	Guarantee not yet solicited.	20,000 fr.	2,000 frs. (charitable institution) and 5,000 frs. co-operative society for cheap dwelling houses).	not shown.
not shown			not shown		not shown.
3	6,500	nothing	59,000 fr.	5,000 fr. (asylum of Sens) and 2,500 (charitable institution).	3 at Sens, one in the Country.
not shown			not solicited		not shown.
not shown			not shown		Chiefly in the Country.
30	not shown		not shown		not shown.
10	60,000	Guaranteed by the Department and soon to be so by the town.	not solicited		70 % for the Town.
595	3,027,218				

out only on October 9th., 1913. — (3) On October 2nd., 1913 the Department guaranteed the

Societies Legally Recognised from July 1st. to December 1st., 1914.

Numerical Order	Head Office	Name of Society	Share Capital (in francs)	Date of Foundation	Date of Recognition
46	Nevers	Real Estate Credit Society of Nevers	100,000	15 Feb. 1913	1 July 1913
47	St. Amand-les-Eaux (Nord)	Real Estate Credit Society of the two Cantons of S. Amand	100,000	31 May 1913	10 July 1913
48	Saint-Quentin.	Real Estate Credit Society of Vermandois	100,000	14 March 1913	12 July 1913
49	Alais.	Real Estate Credit Society of the Arrondissement	109,000	19 June 1913	15 July 1913
50	Orléans. . . .	"La Ruche Ouvriere" . . .	100,000	15 Feb. 1913	24 July 1913
51	Eaubonne . .	Real Estate Credit Society of the Arrondissement of Pontoise	100,000	20 May 1913	24 July 1913
52	Condé (Nord) .	Real Estate Credit Society of the Canton	100,000	15 June 1913	8 Aug. 1913
53	Limoges . . .	Real Estate Credit Society of Haute-Vienne	100,000	12 Aug. 1913	26 Aug. 1913
54	Voiron	Voiron Real Estate Credit Society	100,000	12 March 1913	30 Aug. 1913
55	Conflans-Jarny (Meurthe-et-Moselle) . .	Conflans Real Estate Credit Society	200,000	1 Dec. 1912	8 Sept. 1913
56	Le Mans . . .	Sarthe Real Estate Credit Society	100,000	19 July 1913	8 Sept. 1913
57	Limoges . . .	"Le Nid"	100,000	21 March 1913	16 Sept. 1913
58	Provins. . . .	Provins Real Estate Credit Society	100,000	8 June 1913	16 Sept. 1913
59	Chartres . . .	Eure et Loir Real Estate Credit Society	100,000	29 Aug. 1913	23 Sept. 1913
60	Epinal	Vosges Real Estate Credit Society	100,000	8 Sept. 1913	25 Oct. 1913
61	Boulogne-sur-Mer	Real Estate Credit Society of the Arrondissement . . .	200,000	16 Sept. 1913	25 Oct. 1913
		Total . . .	1,809,000		

From these tables it will be seen that one society — that of Lille — has made more than 500 loans, that is 651; four societies have made from 100

to 500 (Arras, 232 ; Central Society, 184; Ile-de-France, 178; Havre, 130) ; three societies from 50 to 100 (Belfort, 88 ; Saint-Omer, 55 ; Maubeuge, 52) ; eight societies from 20 to 50, and sixteen from 1 to 20.

Four departments have guaranteed eight societies (1). Twenty-three savings-banks gave assistance, by providing a part of the capital in paid up shares, or purchasing shares already issued, or lending their premises and staff.

Five asylums or hospitals and six charitable institutions also co-operated in this work.

We shall conclude this article with some facts illustrating the practical action of a typical real estate credit society. From those described by M. Bernard d'Avout we select that of Dijon, the particulars of which seem especially interesting.

Its establishment was decided upon in February, 1912 Its share capital, fixed at 220,000 francs, was promptly subscribed. Assistance was given by the Savings Bank and the Hospital, invited to help in the new work. The first subscribed 50,000 frs., the second 20,000 frs. Following this example, the Syndicate of Vine-growers of Dijon subscribed shares to an amount of 4,000 frs., the mutual aid society " Le Progrès " to that of 6,000 frs., the Syndicate of Accountants of Dijon to that of 4,000 frs. On the 30th of April the constituent meeting approved the rules and appointed officers.

On the 12th. of June following, the rules were approved by the Minister of Labour, but a delay arose in the signing of the contract for the loan from the National Pension Society, because the Deposit and Consignment Bank refused to accept the signature of the Regional Agricultural Credit Bank and it was not till November 13th., 1912, six months and a half after its constitution, that the society obtained its first loan, which amounted to 200,000 frs.

A borrower may address himself to the society for loans for six different purposes: 1. to buy a house already built ; 2. to make repairs or improvements in any building ; 3. to build a new house ; 4. to buy land, a field or garden ; 5. to pay off a mortgage ; 6. to pay a co-heir his claim in the division of property. In all these cases, the loan is granted by the society at the uniform rate of 3 ½ %.

The maximum sum lent at Dijon for building a private house varies, according to the number of rooms, from 3,157 frs. to 10,105 frs. In the case of building the society only opens a credit account, paying in proportion to the requirements, according to the progress of the work.

The first loan was made on December 17th., 1912.

From November 13th., 1912 to the end of February, 1913, 25 loans were granted, amounting in all to 106,653 fr. 55.

From the month of March to November 13th., 1913, 23 loans were granted, amounting to 122,469 fr. 50.

(1) Nord (4), Seine (2), Pas-de-Calais, Somme.

Thus, in one year 48 loans were granted, the amount of which, including insurance premiums, was 226,123 fr. 05, that is, an average of 4,710 fr. per loan.

From that date till the end of January, 1914, four new loans were granted amounting to 8,097 fr. 55. The total number of loans made was therefore 52, and their amount was 234,220 fr. 60.

To allow of these transactions, a first sum of 200,000 francs was borrowed from the Pension Society; a second loan of 300,000 francs has been requested to enable the society to extend still further its lending power.

The total value of the landed property on which the loans are guaranteed is at present 300,000 frs.

It is interesting to examine more closely the object of the loans made by the society. They are granted throughout the "arrondissement", both in town and country, but the proportion is higher for the town, the country having been reached later or with more difficulty. The 52 loans are thus divided: 36 for Dijon, for 203,503 fr. 70, and 16 for the country, for 30,716 fr. 85.

At Dijon the smallest loan made was to pay an old mortgage debt, and amounted to 528 fr. 30; the largest, to build a new house, was 9,787 fr. 70. In the country the smallest was 528 fr. 95; and the largest, 4,663 fr. 30.

Of the 52 loans granted, two were to repay mortgage debts, three to buy land, one to enlarge a house, eighteen to buy houses already built, and twenty-eight to build new houses.

Nearly all the borrowers repay in monthly instalments. Ten only repay in quarterly, half yearly or yearly instalments.

The average age of the borrowers is 38.

The average period for repayments is 17 years.

The average amount of each monthly instalment is 31. fr. 40.

With regard to trade or profession, the borrowers are thus divided:

11 railway employees;
11 employees in shops or book-keepers;
9 agriculturists;
6 mechanics;
6 workmen (unskilled);
3 professors;
2 carpenters;
2 postal and telegraph employees;
1 superintendent of roads and bridges;
1 valet.

Repayments are regularly made; on the appointed day the borrowers themselves come to the office of the society bringing the amount of their instalments. Nothing could promise better for the future.

Part IV: Miscellaneous

AUSTRIA.

FARM TENANCY CONTRACTS IN SOUTHERN AUSTRIA.

(Continued)

§ 4. District of Trent (1).

Farm tenancy contracts are common in the whole district of Trent, that is to say in the Italian part of the Tyrol ; however, even in the Tyrol proper the institution is beginning to take root, above all in the vineyard regions of the upper valley of the Adige, and in the bilingual districts or the German districts in which Italian colonies have been established. And even in the district of Trent these contracts are found only in vine growing regions, more precisely in the Adige valley from Salorno southwards, in Valsugana and in the valley of Arco and Riva; in the other parts of the district they are not found at all or but seldom, as small landed properties, on which meadows and grain are cultivated, prevail. The usual form of the contract in the Trent district is that of metayage; the term of the contract is generally a year, but really it is often prolonged considerably, for entire generations and generally only terminates with the sale of the holding. The tenant considers himself as invested with the farm and authorized to work it so long as he does so conscientiously. Up to a few years ago, tenants who were also proprietors were only found in the district of Mori and in Valsugana, but now the conditions of the tenants are greatly improved.

In most cases nothing special distinguishes metayage here from its ordinary form : revenue and expenditure are shared equally. But together with this system we find also simple contracts of lease for money ;

(1) For statistical information in regard to the District of Trent, (geography, nature of soil, population, rural economy, emigration etc.), we refer our readers to the article: *The District of Trent, a Model Co-operative District*, in the number of this Bulletin for March, 1914, pp. 15-32.

in the neighbourhood of Rovereto it is usual for the annual lease to be 5 % of the value of the farm. Cases are, however, frequent in which the contract differs from the usual type of metayage, above all as regards the portion of the produce shared. The area of the holding in the neighbourhood of Trent is generally not more than from 3 to 4 ha. in the mountains and from 2 to 3 ha. in the plain. A group of holdings of this character is called a *maso*. Often the tenant receives in addition a tract of meadow land, either free or at not more than half the ordinary rent. If the portions of land constituting the *maso* are all in the plain, its area is generally greater, as the area of the *maso* is in proportion to the working capacity of the tenant's family. Besides tenancies consisting of entire *masi* there are those constituted by single holdings. The cultivation of the vine and silkworm (*filugello*) breeding are also here of decisive importance for the farm tenancy contracts. The tenant usually receives the house free; sometimes, however, he must pay rent, when the farm does not provide work for his family for the whole year and they have therefore to seek work elsewhere. This form of contract is found especially in the neighbourhood of Ala.

The livestock generally belongs to the tenant, who in this region is called *Manente* or *Marsador*. If it does not belong to him, the landlord makes provision, deducting half the tenant's profits for the purpose. The milk generally belongs to the tenant, though often it is shared. The tenant receives, as above said, a tract of meadow or grazing ground free for his livestock, as, for example, in the Brentanico plateau. But in quite the majority of cases the cattle belong entirely to the tenant, who, however, must consume all the hay for their maintenance and use all the manure on the farm. In many cases the landlords try to develop livestock improvement, by means of loans without interest to the tenants, which is an advantage for the landlords themselves. All or half the chemical manure is provided by the landlord. In the case of silkworm breeding, there is complete metayage: though the landlord provides the tenant with the necessary buildings and the mulberry leaves; but if the latter have to be bought he pays for half the leaves and half the graine and receives half the proceeds and half the unused leaves.

In the vineyard districts of Valle Lagarina there is also pure metayage; here often the costs of the fight against phylloxera are shared equally. In other places, for example at Trent, the landlord receives two thirds of the yield of grapes, the tenant one third. In the neighbourhood of Mori, on the other hand, the landlord receives three and the tenant two fifths of the crop, but then the landlord is generally bound to provide all the wire and the wood, the cost of the sulphur etc. being charged against each party in due proportion. At Arco the landlord often receives six elevenths and the tenant five elevenths of the crop of grapes and olives.

In regard to the grain farms, we must say that if vines predominate and the soil is bad, the grain is left entirely to the tenant. In other cases there is equal division. There is equal division also in the case of fruit, tobacco and early vegetables. The tenant is always compensated for improvements, new plantations are almost always undertaken and completed

by the landlord. The tenant only contributes a part of the costs in case of a new clearing of the land.

A complete renovation of the crop is, however, only made at the landlord's expense, unless it has been requested by the tenant, in which case he also must bear part of the costs. The taxes, everywhere very heavy, are paid by the landlord, who also has to see to the repairs of the houses; in many cases, however, the tenant must assist in the work of repair, but usually he is paid for his services like any other labourer. The average wages are 2 crs. and board, in summer 4 crowns and board; women coming to the district from the Italian Friuli, and generally called "Ciode", are occupied on a large scale in farm work, as emigration has reduced the number of local labourers, and they are usually paid 1.6 cr. per day, receiving in addition board and lodging, but wages vary according to the contract, that is according as it is for season or for daily labour. The amount of 1.6 crowns with board and lodging must be considered as only paid for daily labour, although the wages given in this case may be even higher (1).

The term of the contract is generally from November 11th. of one year to November 11th. of the next year. For denunciation notice must have been received at latest on April 23rd., in some places even in March. In the district of Mori and even elsewhere contracts of metayage are passed for 5 and even 10 years, above all with the object of disposing the tenant to undertake works of improvement. There are no compulsory days of unremunerated labour; where days of labour are stipulated for, payment is always given. But their number is, however, very small. The landlord divides the crop.

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After these statements of a general character, let us give a few particulars of the contracts we might call typical, because they have now a fixed form established by custom in the various localities in which they are in use. In the rich and fertile viticultural region of Mezzolombardo, Mezzocorona and Lavis, the metayage contracts usually contain the following provisions:

(a) *Landlord's Duties.* — The landlord must give the metayer $^2/_3$rds. of the sulphate of copper, $^2/_3$rds. of the sulphur, $^2/_3$rds of the wood for repairing the old trellises, $^2/_3$rds. of the manure, which shall amount every year to such and such a number of cartloads of 24 quintals each. In case of new plantations, he must bear the cost of all the wood, wire and manure needed. The landlord must give the metayer one third of the re-

(1) As regards the emigration of women and children from the district of Belluno to that of Trent and to the Tyrol, see the reports of the enquiries published by the *Reale Commissariato dell'Emigrazione* of Rome in its *Bollettino mensile* and especially: *L'Emigrazione italiana nel distretto consolare di Innsbruck* in no. 14, Year 1913, of the *Bollettino dell'Emigrazione*, and *L'Emigrazione delle donne e dei fanciulli nel Trentino e nel Tirolo Meridionale* in no. 13, Year 1912 of the above *Bollettino*.

siduum after the grapes produced on the farm have been pressed; the grass, vegetables and grain produced on the farm belong to the tenant.

(b) *Metayer's Duties.* — The metayer must work the holding without any remuneration in money, at the proper seasons, as an experienced farmer, conscientiously, according to the usage of the district, performing all the ordinary work required in the year in general and especially the following: He must dig the fields twice a year, in spring and in July or August, being forbidden to sow or plant, without the express permission of the landlord, any kind of plant whatever, under the vine trellises. The tenant must at his own expense transport the grapes belonging to the landlord wherever the latter shall order, not, however, beyond the communal area of Mezzolombardo. He shall pay one third of the cost of the sulphate of copper, the wood and the wire for the repairs of the old trellises and provide such and such a number of cartloads of manure of 24 quintals each. The residue of the pressed grapes shall be sold by common agreement. The landlord or his representative may visit the holding at any moment to ascertain if all the work is being regularly carried out; if it is not, the landlord shall order the metayer to do it, and, on his refusal, get it done by whom he pleases at the expense of the metayer. The expense of new installations or plantations on the holding shall be borne solely by the landlord. The metayer will, however, be bound to assist with his labour, for the ordinary wages paid in the country according to the season. If the metayer fails in any one of the above duties, the landlord may declare the contract null and void.

Often, in the same region of Mezzolombardo, Mezzocorona and Lavis, simple contracts of service are passed by which particular persons enter the service of the local landowners. In this case, in addition to the provisions of the contracts, the provisions for contracts contained in the *Regolamento per le persone di servizio* (Servants' Regulations) for the Tyrol, of January 22nd., 1870, Bollettino Leggi Provinciali, No, 13, must be observed.

In the district of Rovereto the farm tenancy contract is not to day as common as formerly and is gradually being substituted by simple contracts of lease. The contract also here assumes the form of metayage; it is extended to the tobacco farms, which, however, are decreasing in number more and more, because only the cultivation of tobacco for snuff is permitted, and there is a constantly smaller demand for snuff. The tenants are often small landowners and the crops are equally divided, unless the landlord provides the grain for sowing, the sulphur etc. at his own expense. The tenant is considered co-proprietor of the soil and is always proprietor of the livestock.

In the neighbourhood of Ala pure metayage is usual; the tenant receives from 1 to 2 ha. of land for himself and a free house. The costs of purchase of sulphur, sulphate of copper, silkworm graine, mulberry leaves etc. are divided equally. The manure is charged against the tenant, who, instead, receives all the forage and straw. The grain for sowing is supplied by the landlord in the first year, but afterwards the price is deducted from the profits, which are then equally divided.

The rest of the produce is also similarly divided, except that in the case of the cocoons the division is made in money after sale by the landlord. The cattle belong entirely to the tenant. At Ala on the wheat reaped and wine made it is customary to take "tithe", which is indeed hardly fair and is only to be explained by historical tradition which has been continued up to the present. As a rule the tenants here have no land of thsir own. In the neighbouring district of Borghetto there are peasants who are tenants and have tenants of their own. At Avio, in the district of Ala, the whole crop is divided in the proportion of three fifths for the landlord and two fifths for the tenant. In this region wages are low, as emigration is not very important.

When we come to the western part of the district of Trent, especially to the vineyard region of the river Sarca, near Sarche, where the Prince-Bishop of Trent has large possessions, we find the tenant has no land of his own; for silkworm rearing the landlord provides half the graine and the leaves, he sells the cocoons and the proceeds are equally divided. Two thirds of the price of the wine belong to the landlord and one third to the tenant, as well as about five or six hectolitres. The hay, grain and fruit are divided equally. The cattle belong to the tenant. There are even cases in which the landlord entrusts a person with the cultivation of the farm and pays him a certain amount a month, for example, 60 crowns, giving him the house, the wine, milk, wood and vegetables he requires free of charge.

Before considering the two vinegrowing parts of this district which we have still to deal with, Valsugana and the Lower Giudicarie in the neighbourhood of Arco and Riva, we think it advisable to give here the principal provisions in a model contract of lease passed in the Adige valley in the neighbourhood of Mori.

The lease is for..... years, counting from Michaelmas, 19... to September 29th., 19... When, however, the interest of the proprietor compels him to dispose of the buildings leased by sale or in any other way, he has the right to denounce the contract at any date on giving six months' notice: in this case, however, the tenant shall receive compensation in proportion for any special improvements, as well as for the standing crops, established according to the decision of two experts, appointed one by the landlord and the other by the tenant and in case of disagreement by a third expert chosen by..., against whose decision there shall be no appeal on the part of either of the persons interested; and similar arrangements shall be made in the case of an eventual reduction of lease on account of expropriation of a part of the land. The tenants are expressely forbidden to sublet or enter into contracts with metayers for the working of the holdings without consent of the landlord, and, if they do, the landlord can denounce the contract immediately. The year's rent must be paid punctually, half at Midsummer (June 24th.) and half at Michaelmas (September 29th.). The leases are taken with their advantages and drawbacks (*a rose e spine*, according to the local expression) and the tenants accept all the risks indiscriminately of all accidents whether ordinary or extraordinary. The land-

lord pays all taxes, additional centimes and other public charges. The tenants must at their own expense every autumn prepare all those holes or ditches the landlord orders for the planting of mulberries, vines or other plants he considers it advisable to cultivate. New mulberry trees alone are supplied to the tenants free. In case, on account of phylloxera, it is necessary to graft vines on American stocks, the landlord shall contribute two thirds of the amount for the purchase of the rootlings and the tenant one third. In any other case, rootlings and cuttings must be provided by the tenants. Indeed it is their duty to prepare in advance suitable nurseries of the species the landlord shall indicate. Tenants who have chestnut trees suitable for poles on their holdings may not cut them before the trees are 8 years old. Tenants of forest land must conform to the provisions of the forestry law and the general conditions of their lease and the regulations in this contract.

The tenants must give special attention to the maintenance of the boundaries and if any landmark disappears they must advise the landlord immediately. The tenants must assist the landlord, without any remuneration, in any fresh erection of beacons to substitute those previously existing or to increase their number. The tenants must keep their holdings properly cultivated, tend the mulberry trees and vines according to the requirements of the plants and improve the holdings they lease more and more. The tenants cannot, without permission from the landlord, undertake any new work, renovation or special improvement not contemplated in their contract and, if they do, they shall have no right to compensation, but, at the desire of the landlord, must restore things to their original state and pay damages. The landlord retains the right of dissolving the tenancy at any moment without notice and of placing other tenants on the holding if he finds the premises are not being kept in due repair, and the tenants can claim no compensation.

If the tenants fail in the punctual payment of their rent or any other duty included in the regulations contained in this contract or the provisions of the law, the landlord may declare the lease forfeited, although the period agreed on is not expired, without any notice being necessary ; in that case the tenants will be further obliged to make good all damages and pay all expenses necessitated by their fault. The tenants by special contract submit themselves in any and every matter arising from, relating to or connected with the lease, including such as relate to the existence of the contract and the payment of wages, to the decision of the district court of Mori. If the tenant dies before expiration of the lease, the contract shall be binding on his heirs, but this only regards the tenant, not the landlord, who may denounce contract. The tenants must see that the holdings leased to them are properly cultivated.

These are the principal conditions of the model contract of lease in the district of Mori.

We have still to speak of the Valsugana and the Lower Giudicarie.

Also in Valsugana, above all in the district of Borgo, we find the system of metayage, but the landlord alone pays the taxes and buys the

sulphate of copper and sulphur ; in the case of silkworm cultivation he provides the mulberry leaves and graine and the leaves even, when those of the mulberry trees on the holding are insufficient. The tenant only performs services for the landlord, if he is willing, and then he receives wages, a little below the ordinary rate, because he only works for the landlord when not occupied on his farm. Often the tenants own houses and about half of them are also small landholders. If the livestock belongs to the landlord, as is usually the case when a whole *maso* is rented, the produce is equally divided. If the livestock graze on mountain pasture land and belong to the landlord, he pays the costs for the period they are in the mountains, but the profit comes to him. In the case of leases of whole *masi* the whole yield is often, that of the cocoons always, sold by the landlord and the profits divided. Part of the produce, for example the potatoes and beans, is altogether left to the tenant, especially in the case of lease of single holdings, The tenants also reserve for their personal consumption a portion of the crop of grapes which is then subtracted from their share of the profits. The contracts are sometimes in writing, often for a period of 10 years, but in any case may be renewed for long periods. The peasants have rights also in the landlords' forests and their condition is improving more and more.

At Telve a large part of the land has passed into the hands of the peasants and metayage has disappeared there. At Levico the situation is even better in view of the existence of a robust group of peasants. The metayers receive the livestock from the landlord and keep the milk for themselves. Generally they receive the meadows and grazing ground they need free of charge. Here also they pay a part of the Government taxes, usually half, or a fixed amount of from 15 to 17 crs. per head. We find also equal division, above all if the tenancy is an entire *maso*. The tenant pays a small rent for the house. Contracts for individual holdings are generally for the period of one year, and notice of denunciation must be given in June, but in the case of entire *masi*, the term is for from 5 to 10 years and the contract is often in writing.

In the valley of the Lower Giudicarie, we find that at Arco most of the tenants are small proprietors, owning farms, houses and livestock. There the tenancy contract is one of pure metayage, with equal division. There are, however, also leases by which one party receives a third or a fourth of the produce. In the best places the landlord receives three fifths of the wine. The expenditure, including that for chemical manure, is usually divided in the same proportion. The taxes are paid by the landlord. Here also a deficiency of labourers is observable and the wages are consequently very high, above all, for silkworm cultivation. The contracts last for whole generations. At Varone, between Arco and Riva, tenancy contracts are very common ; between one and another there are small differences in regard above all to the share of the two parties: often there is equal division, often the landlord receives three fifths and the peasant two fifths etc. of the profits. The tenants are usually small landowners. At Riva the customs are the same ; in specially favourable positions the landlord receives three fourths and the tenant only one fourth of the wine.

The farm tenancy contract as it exists in the district of Trent does not call for important modifications. It would perhaps be desirable that the contracts should always be for a longer period of time, that settlement between landlord and tenant should be made punctually every year and that certain local uses, for the rest restricted to a few places, such as, for example the "tithes" etc., should disappear. But even in these respects the progress made in recent years has been considerable and is in direct proportion to the improvement of the crops, the drainage and improvement of the soil, above all in the Adige valley, the development of traffic and the greater ease and increased rapidity of communication. Emigration also has had a great influence in the matter.

Certainly much still remains to be done to increase the economic possibilities of the country : but the means to attain that end are not to be sought in the direction of those facts that have been the object of this study, nor generally in the relations between landlords and tenants.

GREAT BRITAIN AND IRELAND.

1. PROPOSALS FOR LAND REFORM IN SCOTLAND.

SOURCES:

SCOTTISH LAND, RURAL AND URBAN. THE REPORT OF THE SCOTTISH LAND ENQUIRY COMMITTEE. London, 1914. Hodder and Stoughton.

INTRODUCTION.

In the *Bulletin of Economic and Social Intelligence* for June, 1914, we gave an account of various proposals for land reform in England and Wales. These proposals emanated from various political parties, but the most important which we had occasion to review were those contained in a Report, entitled " The Land : Rural ", drawn up by the so-called Land Enquiry Committee, an unofficial Committee composed solely of Liberals, who were invited by the then Chancellor of the Exchequer, Mr. D. Lloyd-George, to undertake an inquiry with a view to formulating a Liberal land policy.

This Report related only to England. For Scotland and Wales, where conditions differ considerably from those obtaining in England, special Committees were appointed, and we shall now review the Report on Scottish Land drawn up by the Scottish Committee under the Chairmanship of J. Ian Macpherson, M. P.

The Report is in two sections, Rural and Urban. We shall only examine the portion which refers to rural conditions.

The information was obtained by the issue of lists of questions and by special inquiries made amongst men of every class, irrespective of political parties.

Two main points have been kept in view in making the enquiry:

(1) Existing general economic conditions, directly conducing to under-production ;

(2) Defects in the existing legal system which are injustices in themselves and directly conducive to under-development and under-production.

§ 1. The case for reform.

The Report sets forth the case for reform as follows :

In striking contrast with the Scottish urban phenomenon of the massing of a great population on a very narrow area, with all the accompanying evils attendant on excessive overcrowding, the depopulation of rural districts in Scotland has been proceeding at an alarming rate. In many parishes the population is now smaller than at any preceding census, largely as the result of emigration. Much land has gone out of cultivation and the improvements made upon it in the past are steadily disappearing. Great areas which might be better utilised for agricultural and pastoral purposes are at present utilised for sport.

The main cause of the great rural depopulation is the inability to get access to land, whilst powerful contributory causes making for non-development are the proprietors' inability to equip the land, and often the desire to hold it for social or sporting purposes.

The principal disabilities of the ordinary tenant farmer are liability to confiscation of his improvements, arbitrary increase of his rent (possibly as a result of his own improvements) and arbitrary eviction. Against these evils the Agricultural Holdings Acts offer no sufficient security.

The Ground Game Act fails entirely to give the farmer adequate protection against loss and damage by game, the preservation of which conduces to under-development of agricultural and pastoral land and is highly detrimental to afforestation. In the most extreme case of game-preservation — the deer forest — enormous areas are kept without inhabitants and industry in order to secure the complete solitude most favourable to this form of sport.

Throughout Scotland there is a large unsatisfied demand for farms and holdings from capable and experienced men, and the active development of a small holdings policy would not only retain a larger rural population, but would also be a means of securing to farm-servants better conditions in their present employment. The Small Landholders Act (1911) embodies the principles on which further development should proceed. The demand for further and rapid action under this Act is very strong.

The whole case for the special provision of money out of the taxes to assist in the creation of small holdings is the paramount importance of increasing the number of small holders and stimulating the economic development of the land. This purpose is defeated in proportion as the money so provided is diverted for expensive litigation or extravagant claims of compensation.

That the trend of legislation has constantly modified the relation of landlord and tenant without compensating the former for the loss of unfair privileges and advantages, is shown in recent years by the Crofters Act of 1886, the Agricultural Holdings Act, the Town Planning Act

of 1909, etc. These precedents illustrate clearly the general principle that the State has always exercised the right of interering with the relations between landlord and tenant in the public interest, in order to secure a more just and equitable system of land tenure, without compensating the landlords for loss resulting from their deprivation of what was undoubtedly an unfair advantage which they previously enjoyed.

If this principle is accepted, then landlords have no right to claim compensation for the loss of the right to confiscate a tenant's improvements at the end of the lease, resulting from the grant of security of tenure, nor may they claim compensation for the loss of sporting value where land, hitherto devoted to sport, is taken over for a productive economic use.

It is clear that large areas of Scotland are under-developed in the sense that land is being allowed to go back to waste for lack of the application of labour and capital ; that a great deal could be done to improve stock and land already in cultivation ; and that next to nothing is being done in one of the greatest of rural industries, the reclamation of the land.

The cultivated area of the United Kingdom has declined by one million acres between 1900 and 1913 ; during the same period the total number of sheep has fallen from 31 million to 27.6 million, the number of pigs from 3.6 to 3.3 million and the total number of cattle has only increased from 11.5 to 11.9 million. At the same the world's demand for food supplies has greatly increased, as is shown strikingly by the increase in prices in 1913 over 1900.

The fundamental fault of the existing system is the failure to apply to the land the labour and capital essential for its development. The assumption underlying the present land system, and the only justification of the landlord's monopoly power, is that he supplies all the necessary capital for equipment and development. It is because this duty is in no reasonable sense performed that a readjustment of the land system is necessary.

In a great number of cases no one can apply the needed capital so effectively, so cheaply, and so profitably as the actual cultivator of the soil, and in so far as the existing system of tenure discourages this, it deprives the land of the richest stream of capital available for its development.

The first essential, therefore, is to ensure access to the land whether for the development of industry, water-power, building, afforestation or agriculture. The second essential is that tenants willing to undertake the work and risks of development be legally secured in what is their own. The third essential is that rural development be assisted by improved methods of organisation, transit, credit, and technical training.

§ 2. Rural depopulation.

After this general survey the Report proceeds to examine the several points raised. First in order comes the fact of rural depopulation.

Four counties, Argyll, Berwick, Perth and Sutherland, are shown to have a smaller population now than in 1804, and the 1911 census shows

that in no less than 533 out of the 874 parishes of Scotland the population is smaller than in 1901. In every district where agriculture is the dominant industry there is a decline of population. This is substantiated by the following tables.

Number of persons (male and female) engaged in agriculture in Scotland as returned at each census from 1871 *to* 1911.

1871	1881	1891	1901	1911
254,842	240,131	213,060	204,183	199,083

Number of male shepherds and farm labourers in Scotland as returned at each census from 1871 *to* 1911.

1871	1881	1891	1901	1911
119,391	102,875	95,470	83,441	80,582

The decline is 22 % in the first table and 32 % in the second.

A comparison with the figures for game-keepers shows that while the number of farm-servants has declined from 1881 to 1911 to the extent of 49,428 there has been an increase of 1,673 in the number of game-keepers for the same period.

A feature of special importance is the great increase in emigration from Scotland during the last decade. While the proportion of Irish emigration has fallen largely and English emigration has remained nearly stationary, that from Scotland has almost doubled, rising from 33,368 in 1909 to 61,328 in 1911, and this in spite of increasing wages and an increased demand for labour in practically every part of the country.

Nor can this rural depopulation be explained by the attraction of urban life, for these workers emigrate in the main to districts in Canada, Australia, and New Zealand infinitely further removed from urban pleasures than the localities they leave. The reasons generally given throughout Scotland for this heavy drain of emigration are the lack of opportunities of access to rural land at home, and the absence of the prospects of a career on it. Inadequate housing accomodation is also a contributory cause, especially in the case of the unmarried farm servant.

§ 3. The decay of the countryside.

The total area of land in Scotland is 191,070,466 acres, of which 17.4 per cent was used in 1912 as arable land and 7.8 per cent as permanent grass. Thus only 25.2 % of the total area was under cultivation.

Within recent years the story has been one of continuous retrogression. Between 1901 and 1911, 123,000 acres were withdrawn from the

plough and the area of arable land decreased between 1882 and 1911 by 251,375 acres. In 1912 the area under crops and grasses showed a decrease as compared with 1911 of 24,501 acres, comprising 23,541 acres of arable land and 960 acres of permanent grass.

Large areas are unproductive through want of efficient drainage, the reason given being that the landlords are unable or unwilling to incur the expense. Tenants consider that as drainage is a permanent improvement it should be executed by the landlord, and even where the tenant admits that he could do it and have protection under the Agricultural Holdings Acts, he is, as a rule, very unwilling to undertake the work.

Undoubtedly a very large part of the drainage work done in the past was really performed by the tenants, but their point of view now is that with the enormous increase in the opportunities for selling their labour which exist today as compared with forty or one hundred years ago they are not disposed to do the great amount of drainage, reclamation, and improvement work on the same conditions as before and that without security of tenure it is not worth the trouble.

Another grave cause of deterioration has been that in the interests of game preserving the growth of heather, bracken, and fern is not infrequently encouraged. In some leases the burning of heather is prohibited. A striking instance of the effects of this abuse is given in the following answer to an enquiry made by the Commission:

"All the land on the fourteen farms in deer forest, from which the tenants were evicted is now well grown over with heather. The arable land was as good as any in the parish. The occupiers of the farms, who, with their families, numbered 119 individuals, depended largely on the excellent pasture, which carried 10,000 sheep, 200 head of cattle, and 20 horses. The occupants now are 5 keepers with 4 ghillies for the season, and the annual output is now about 100 stags and hinds."

§ 4. The amalgamation of holdings.

Another cause of rural decay is the amalgamation of holdings due to the desire to avoid the expenditure necessary to maintain the farms as units of agricultural production. This leads to the system of "led" farms, let generally for grazing purposes to a farmer residing on another farm, so that the buildings on the "led" farm are allowed to fall into decay. There are a minority of cases in which the amalgamated holdings are put to more productive uses than they were previously, but this is not the ordinary case. The picture of a depleted country-side with many farm buildings altogether in ruins is a standing condemnation of this system which drives labourers off the land, putting a portion of it out of cultivation, as the "led" farms are generally let for sheep pasture. In contradistinction to this growing amalgamation of holdings, the enquiry shows that a good mixture of farms of all sizes throughout a district is the most satisfactory ar-

rangement, and the Commission considers that the consent of the Board of Agriculture should be required whenever it is proposed to let a farm as a "led" farm.

§ 5. Landlords' inability to equip the land.

A main cause for amalgamating holdings, failure to maintain drainage, and the other features of rural decay, is the inability of the owner to apply to the land the requisite capital.

The landlord, arguing on a basis of not investing money for less than a 5 % return, considers that the additional rent he would obtain, for instance, by placing his farm buildings in adequate repair is insufficient to justify the additional expenditure, and he has been encouraged in this course by the general economic tendency to decrease the extent of arable land and increase that laid down to grass.

It is somewhat difficult to hold that landlords must, in every case, maintain adequately the farms on their estates in view of the admitted inability of so many of them to undertake so considerable a task, but their inability should not be held, as it is at present, to justify the decay of great rural districts when there are within reach some of the best farmers in the world unable to get access to the unutilised ground which lies around them.

Many Scotch landlords are absentees, and with the growth of absenteeism the management of their estates is left to factors, whose aim is to produce the highest net balance on the year's working regardless of the agricultural interests of the farms or the future condition of the estate. Moreover, many of these neglected estates are heavily mortgaged or burdened with rent charges. An Act of 1875 made it possible for the heir of entail to convert rent charges into permanent mortgages on the estate, and this has been taken advantage of by certain proprietors with the result that they have kept placing new permanent charges on the estate without taking any off, so, in time, bleeding their lands to death.

§ 6. Demand for holdings.

In strong contrast to this rural decay stands the fact that in every part of Scotland there is an unsatisfied demand for farms and holdings, more especially for small ones, though this demand has been somewhat reduced within recent years by emigration. The high degree of efficiency of the farming population makes it the more to be regretted that men of such admirable qualities are unable to get reasonable opportunities for their exercise, especially when there is so much derelict land in their midst.

Thirty or forty years ago it was thought that the small holding was bound to disappear. This view has been very much modified. Many large farmers, formerly opposed to the policy of establishing and assisting small holdings, are now in its favour. The difficulty of obtaining labour has brought

home to them the value of small holdings as the best source of supply of agricultural workers, and for the purposes of intensive farming it is now perceived that small holdings are especially suitable. On national grounds, as the source of raising a large rural population, their value is everywhere recognised.

After thus setting forth the desirability of, and the demand for, agricultural holdings with security of tenure the Report proceeds to examine the provisions and working of the Crofters Act and the Small Landholders Act, which have done so much in this direction. For an account of these Acts and the results so far obtained, we refer the reader to an article published in this *Bulletin* for February, 1914 (1).

§ 7. Protection for tenants of large farms.

Insecurity of tenure is the great hindrance to the development of agriculture. Formerly the agricultural lease was for 19 years with a break at 5 or 7. There was no compensation for any improvements made during the tenancy, and this led to the exhaustion of the land. The Agricultural Holdings Act was passed in 1883 and consolidated in 1908 to secure to the tenant compensation for "unexhausted improvements." Further extension of this principle is needed both in justice to the tenant and in order to induce him to invest greater labour and capital in the equipment of the land. As the Act now stands, the uncertainty of the tenant as to the renewal of his lease makes it rather to his advantage than otherwise to leave the soil in an exhausted condition at its expiration, as he then has fewer competitors for the farm and the rent is less likely to be raised. Many farms in Scotland are now held on year to year leases, but unless the farmer is sure of remaining in possession, he does not execute improvements, as draining, manuring, fencing or cutting bracken are all improvements of a continuing nature, giving a return over a period of years on the capital and labour expended on them.

Throughout Scotland it is found that the demand by agriculturists is in general for tenancy with security of tenure, and not for purchase of their holdings. It is their practically unanimous opinion that capital can be better utilised in cultivating land, purchasing stock, etc., than sunk in the purchase of land. The greatest practical need in agriculture to-day is to secure the application of capital to the actual work of development, and any scheme which encourages the actual cultivators of the soil to divert their capital in other directions is less desirable. The preference for tenancy with security over purchase has been much increased by the operation of the Small Landholders Act of 1911.

(1) "Small holdings in Scotland and the Effects of Recent Legislation regarding them." John M. Ramsay, *Bulletin of Economic and Social Intelligence*, February, 1914.

§ 8. The landowner's monopoly power.

Agricultural undevelopment is directly associated with the exercise of monopoly power by the landowner. It is entirely in his discretion whether he will have farmers on his estate at all, and he can dictate the terms on which alone occupation of farms can be gained. The evidence gathered shows that this monopoly power is sometimes so exercised that the terms on which access to land can be gained are an altogether one-sided bargain. In some cases, though the houses on farms have been built by the tenants, the landlord not only dictated the terms of the rent for same, but took a toll in addition on the tenant's earnings from other occupations in the form of arbitrarily increased rents; again rents have been raised to meet the debts of owners. Sites are refused for building purposes, for doctors' houses, inns, etc., and tenants are sometimes evicted for arbitrary reasons, such as their political opinions.

Summing up under this head, the Report quotes the following opinion:

"Most people will admit that the land laws are wrong when the following things are not only possible but are, and have been actually done, and that not seldom:

"(1) Confiscation of a tenant's improvements.

"(2) Raising rent on a tenant's improvements.

"(3) Eviction of a tenant who has improved and sunk capital in permanent improvements, and re-letting the farm to a new tenant at a higher rent.

"(4) Eviction of a tenant because he enforced his rights *re* ground game, heather burning, etc.

"(5) Eviction on capricious grounds.

"All these are obviously unjust, and with an absentee landlord these are very present dangers to all tenants, and militate against anything but a hand-to-mouth style of farming, good for neither landlord nor tenant, nor the country at large."

§ 9. Sporting interests.

The most outstanding form of this exercise of monopoly power in opposition to the economic interests of a rural population occurs in the case of game preservation.

The Royal Commission on Coast Erosion and Afforestation found that considerations of sport were a main reason why afforestation was so backward in Scotland. They point out:

"Considerations of sport have played an important part in determining the method of management of our woods. Clean boles with high pitched crowns, the exclusion of the sun's rays, and ground destitute of grass, weeds and bushes, are not conditions favourable to either ground or winged

game. On the contrary, trees that are semi-isolated, and with low-reaching branches, and a wood that is full of bracken, brambles, and similar undergrowth, present conditions much more attractive to the sportsman, and it is these conditions that many landowners have arranged to secure. Ground game too has been the cause of immense destruction amongst the young trees, and thus it has, in a measure, directly brought about that condition of under-stocking which is so inimical to the growth of good timber, and to the successful results of forestry. Nor is it possible in the presence of even a moderate head of ground game to secure natural regeneration of woodlands, the young seedlings being nibbled over almost as soon as they appear above ground. So intimate is the association in the United Kingdom between sport and forestry, that even on an estate that is considered to possess some of the best managed woods in England, the sylvicultural details have to be accomodated to the hunting and shooting, and trees must be taken down in different places to make cover for foxes."

Throughout the Lowland counties the game question does not differ materially from the similar question in England, but in the Highlands, owing to the prevalence of deer forests, it assumes a much larger aspect.

The owner of land has power to reserve the right to take and kill game and he can let this right to any person. The Ground Game Act gives the tenant certain rights to compensation for loss caused him by game, but in a very large number of cases, representing in the aggregate very great damage to crops, no compensation, is, in fact, obtained. In the first place, the machinery for recovery is cumbersome and expensive, and secondly the farmers hesitate to take their landlord or his sporting tenant into Court for fear of having a refusal to renew their leases when these expire. As a result, farmers are discouraged, where the game nuisance is considerable, from developing their crops as highly as they otherwise would; and industries are also discouraged in order to protect the game from disturbance.

Out of a total acreage of 19,070,466 in Scotland, 3,599,744, or about one fifth, are occupied by deer forests or otherwise exclusively devoted to sport. There are some 200 deer forests, ranging from 100 to 110,000 acres. The area devoted exclusively to sport in Scotland rose from 1,709,892 acres in 1883 to 3,599,744 in 1912.

Most of the great clearances were made, in the first instance, in the interests of large farming as compared with small holdings. During the eighteenth and a great part of the nineteenth century it was thought that much better results could be obtained from large farming than from small, and the clearances in Sutherlandshire and Ross-shire were made in the supposed interests of large sheep-farming. In the course of time these sheep farms have tended more and more to be converted into deer forests, and as the process has proceeded the proprietors have extinguished the small holdings and farms, as the leases fell in, in the interests of game preservation.

Nor is it an adequate answer to say that much of the ground thus used is heather - clad hill - side. It is essential to successful farming in the hill lands of the Scottish Highlands that the farms should have attached to them areas of hill - land as grazing grounds and the heather - clad hills which are of no use for growing oats or barley, and which are now devoted to deer, should be used for grazing combined with afforestation. A few typical replies to schedules sent out by the Commission give evidence as to land at present under deer and game which could be used for small holdings.

"Aberdeenshire (R. B. 4). On the hill ground of..., one of the finest sheep grazings in Aberdeenshire, 2,000 sheep were put off five years ago, and the ground is lying at present not even for deer but with the view of improving it as a grouse moor. It is eminently suitable for small holdings. Large portions of it were in days gone by cultivated as small holdings, from which the then occupiers were evicted to make room for grouse and deer."

"Inverness-shire (S. S. S. 37). There is the farm of..., extending in area to 45 acres of arable and 500 acres of pasture, which was let a year ago as a game preserve. There is a vast area extending to several thousand acres at present under sheep which is suitable for cultivation, and a still larger area under deer which is suitable for grazing purposes."

"Perthshire (R. R. 38), The whole of the north side of... save the grazing of..., is now given up to deer. This comprises land which, until lately, was held in three good-going farms."

"(S. S. 99) There is a lot of grazing land held by the proprietors with reduced stocks of sheep, or even none, to improve grouse shooting. About 2,000 acres of this land, which is lightly stocked or cleared for grouse, is the best grazing land in the district, and would make half a dozen ideal small-holdings for shepherds."

§ 10. Farm servants.

The census for 1911 showed a total of 86,334 farm servants (male and female) for Scotland. These are paid partly in cash and partly in kind. The Board of Trade made a most careful enquiry in 1910 into the earnings of men employed on farms, showing that the average weekly rate of cash wages of the ordinary agricultural labourer in Scotland was 15s. 1d. and the estimated value of allowances in kind, 3s. 10d., so that his average earnings per week amounted to 18s. 11d., varying from 21s. 4d. in the county of Clackmannan to 13s. 10d. in Shetland and the Orkneys in the extreme north.

If the wages and earnings of men in charge of animals are included the average for Scotland rises to 19s. 7d. as compared to 18s. 4d. for England, 18s. for Wales, and 11s. 3d. for Ireland. Enquiry further shows a notable increase during the last five years. The average increase over large areas of the country is at the rate of from 2s. to 3s. per week.

While wages are higher in Scotland than in England the average yield per acre is also uniformly higher, as is shown by the following table which gives the average yield per acre for the ten years 1902-1911.

Average yield per acre		Scotland	England	Wales
Wheat	Bushels	39.64	31.83	27.17
Barley	»	35.65	33.43	31.24
Oats	»	37.31	42.27	35.27
Beans	»	35.61	30.18	27.12
Potatoes	tons	6.41	6.09	5.15
Turnips and swedes	»	16.27	13.31	15.50
Hay from rye grass, etc	cwts.	32.04	30.12	25.20
Hay from permanent grass	»	29.11	24.32	19.86

Thus we see that the country which pays the highest wages has also the best results.

As in England, there is a movement in Scotland for shortening the length of the working day, which at present lasts from 6 a. m. to 6 p. m. or until dusk in winter, with about 3 hours extra in the case of horse and cattle-men. There is also a strong desire on the part of farm-servants to secure the weekly half-holiday which may now be said to be universal for industrial workers in the United Kingdom.

The farm-servants are housed on the farm, cottages for the married men forming part of the equipment provided by the landowner. Unmarried men are usually lodged in outhouses attached to the farms, where there is a great deal of overcrowding and discomfort, which is undoubtedly a contributory cause to the increase of emigration.

§ 11. Development.

As a result of its enquiries the Report concludes that in most of the counties of Scotland there is very much under-development of the land, and that, at the same time, there are great possibilities of sound development on a commercial and economic basis. There is in Scotland as highly developed land and as high-grade stock as anywhere in the world, but it is by largely increasing the productivity of the less well-managed lands that the prospect of largely increased and certain rewards is assured.

This increased productivity implies the application of increased capital to the soil, and with so many proprietors quite unable to assist in this, the case for full legal security for tenants is overwhelmingly strong and is a first condition of successful development. It is also pointed out that a great rural industry pursued vigorously in other countries, the reclamation of waste land, is almost a lost industry in Scotland.

The claims for development are all the more pressing as statistics clearly show that throughout the world the supplies of agricultural produce are not at present keeping pace with the ever-growing demand, and the prices of the principal food stuffs show substantial increases. Moreover, from the point of view of the nation, it is in the highest degree desirable to secure a larger agricultural productivity within its own borders.

Many authorities consider the development of co-operative methods essential to the success of a policy of small holders. In comparison with its development on the continent and in Ireland, agricultural organisation has made little headway in Scotland. The careful grading of goods is also a most important consideration, as is likewise the regularity of supply; and beyond what can be achieved by co-operative action by small holders, is the question of improved railway and transit facilities.

The establishment of credit banks to assist the small holder seems necessary in view of the demands of intensive cultivation and the need for an increase in the capital invested in the soil, but beyond pointing out the need for land-banks, no definite suggestions on this head are made in the Report.

Sources of national wealth which have been allowed to run waste in Scotland are its abundant resources in water-power. This is due in the first place to the concentration of industries near the great coal-beds in the south of the country, but also, in part, to the difficulty in obtaining access to land for the purpose of small industries, The proprietors are unwilling to depreciate the present value of the land as a sporting preserve by allowing small industries and small centres of population to grow up. There should be the right of appeal to a court against such unreasonable refusal on the part of a landowner. Just as the Land Court has already been given power to override the landlord's refusal to make land available in certain cases for agriculture, so equal power should be given as regards the refusal of facilities for access to land in the case of other industries.

§ 12. Afforestation.

Of the undeveloped resources of Scotland afforestation is one of the greatest. The Royal Commission on Coast Erosion and Afforestation estimated that 6 million acres of land in Scotland were suitable for this purpose. The United Kingdom is almost entirely dependent on foreign supplies for its timber, yet few countries in Europe are better suited to

afforestation. Only 4.6 % of Scotland is devoted to forests as compared with 25.9 % in Germany and 32.6 % in Austria.

As already stated, game preservation has had a deleterious effect on the development of woods. The Report points out that the afforestation of moorland and rough highlands would be of essential assistance to small holders, as it would provide an industry subsidiary to the principal one of cultivation of the land, affording remunerative work for the farmer at the time when his labour is not demanded by the farm. When developed as a subsidiary industry, afforestation affords assistance to the development of a more economically successful small holdings policy and favours a more prosperous condition of the whole rural community. The Report expresses the opinion that it is no more necessary for the State to purchase large areas for the furtherance of afforestation than for the furtherance of agricultural holdings. Land suited for this purpose should be rented with security of tenure in accordance with the principles of the Small Landholders Act of 1911.

§ 13. Agricultural education.

The last few pages of the Report touch on agricultural education. The two central requirements in this direction are a stronger rural bias for elementary education in rural districts, and a means of bringing into actual application the latest developments and improvements in every branch of agriculture. For this purpose, a further extension of demonstration and advisory work in the country districts would seem essential. Winter schools in suitable districts might be further developed, as well as the delivery of lectures by experts.

Under the Small Landholders (Scotland) Act, 1911, agricultural training is placed under the Board of Agriculture for Scotland, which has taken agricultural instruction outside the walls of the college to the rural community by means of county lecturers and organisers, assisted by expert demonstrators in such subjects as butter and cheesemaking, poultry-keeping, bee-keeping, rural household economy, and other industries connected with farm life. To-day every county in Scotland is reached by this machinery.

With the assistance of grants from the Development Commission further work is being done to promote the improvement of stock, the testing of seeds, and the use of scientific manures. In the elementary schools encouragement is given to school gardening.

§ 14. Principal recommendations.

In summing up the results of its Enquiry, the Land Committee makes a series of recommendations of which the following are the most important.

1. Protection against arbitrary eviction and arbitrary renting by the landowner should be given to all farmers. Failing agreement as to terms of renewal at the end of his lease, the farmer should have the right of appeal to the Land Court, which should have power to determine the period of the renewal of the lease and the rent, subject always to the performance by the farmers of their duties towards the land and to the power to take the land for small holdings or for purposes of greater utility; compensation being paid to the farmer in such a case on the basis of the improved fertility and improved equipment of the land, and for disturbance. The conditions of tenure required to be observed by the farmer in his duty to the land should be generally on the lines of those required of small landholders under the provisions of the Acts of 1911 and 1886.

2. The schedules of compensation under the Agricultural Holdings Act should be abolished and compensation to the tenant based on (*a*) continuous good farming and cultivation which increase the fertility of the land; (*b*) improved equipment, compensation being assessed on the value of the improvements to an incoming tenant.

3. The restrictions imposed in connection with the Ground Game Act should be removed, and the tenant farmer entitled to kill and take ground game by himself and by any person authorised by him.

4. The policy of creating small holdings should be extended rapidly, and once an applicant is accepted as suitable by the Board of Agriculture he should be provided with a holding as soon as possible.

5. It is essential that access to small holdings should be afforded to the poor man of character and energy. To ensure this, improved credit facilities should be provided. For this purpose the money at the disposal of the Board of Agriculture for the permanent equipment of new small holdings should be increased, and such advances might be made from a special fund created by the issue of a Land Stock, instead of being provided out of revenue. There should also be provision of organised financial facilities for small holders.

6. In creating new holdings the principles on which compensation should be paid to the proprietors are: (*a*) Where the normal value of the land for agricultural or pastoral purposes is not diminished by the compulsory creation of new small holdings no compensation should be paid to the proprietor in respect to their creation. (*b*) No compensation should in any case be paid for loss of sporting value through the constitution of such holdings. (*c*) No compensation should be paid for loss of control over the land or over tenants, or loss of "social value" of an estate through the creation of small holdings. (*d*) The compensation to be paid, failing agreement, should be determined in all cases by the Land Court.

7. The Board of Agriculture should have power to require landowners to fill in a form showing when leases of farms expire and whether the sitting tenant is an applicant for renewal. When the Board is of opinion that there is a demand for small holdings in a locality, and it is unable to secure by agreement that landowners will make the necessary land available, it should at once prepare a preliminary scheme for new small holdings

in such locality in respect of farms where the leases are expiring and where the sitting tenant is not applying for the renewal of his lease, or where he has a number of farms, or as regards "led" farms. The Board should apply to the Land Court for its approval of this scheme, and on reasonable cause shown the Land Court would grant this application, limiting its operation to a period of six months. Within such time the proprietor should not be allowed to let the farm without the approval of the Board or the Land Court and the Board should complete its scheme for small holdings by the necessary negotiation with applicants, and failing agreement with the proprietor to accept the new tenants as small landholders, should be enabled to apply to the Land Court to have a compulsory order made.

8. Power should be given to the Board of Agriculture for the acquisition of land on lease for afforestation at a fair rent, to be fixed by the Land Court, failing agreement between the landowner and the Board. In any such arrangement it would be essential that the Board of Agriculture should have absolute power to deal with the land as it thought fit, including the power to sublet to co-operative associations or Utility Societies.

Conclusion.

In conclusion, we would remind the reader that the statements made and views expressed in the foregoing summary are those of the Scottish Land Enquiry Committee and that, as the Committee consists entirely of members of a single political party, some allowance must be made for party bias. The Committee appears, however, to have endeavoured to make an impartial survey of agricultural conditions in Scotland and the Report is, therefore, entitled to serious consideration.

2. HOME INDUSTRIES IN THE HIGHLANDS AND ISLANDS OF SCOTLAND.

SOURCE (OFFICIAL):

REPORT TO THE BOARD OF AGRICULTURE FOR SCOTLAND ON HOME INDUSTRIES IN THE HIGHLANDS AND ISLANDS. Edinburgh, 1914. Neill and Co.

INTRODUCTION.

In 1911, Dr. W. R. Scott, Lecturer on Political Economy in the University of St. Andrews, was appointed to investigate and report upon home industries in the congested districts of Scotland, and in particular on the relation of these industries to the life of the people in the Highlands and Islands. The investigator visited the Western Highlands and the Hebrides early in 1912, and later on in the same year spent some time in the Shetland and Orkney Islands and on the mainland, in Caithness, Inverness-shire, Ross-shire and Sutherlandshire. In October, 1913, he presented to the Board of Agriculture for Scotland a report which deals very fully with the Highland cottage tweed industry, hosiery-making in the Shetlands, and the kelp industry in the Orkneys and Hebrides, and refers more briefly to a large number of minor industries, including lace-making, wicker-work and basket-making, wood-carving, straw-plaiting and rug-making.

In this article we shall practically confine our attention to the three principal industries first mentioned and to the general question of the exercise of the powers of the Board of Agriculture in regard to home industries. Before passing to any description of the industries, however, it will be well to note briefly some of the characteristics of the Highlands and Islands. The region includes the counties of Argyll, Inverness, Ross and Cromarty, Sutherland, Caithness, Orkney and Shetland, which together make up nearly half the total area of Scotland. These are the so-called " crofting counties " in which the land is cultivated by small tenant holders who rent a small piece of arable land and enjoy a right of pasturage in the common land of the parish. Such a holder is known in Scotland as a " crofter, " and the holding itself is the " croft. " As the yield from the holdings is small at the best of times and infinitesimal in bad seasons, the crofter usually supplements his income by fishing, or by kelp-making, while the women of his household work at some home industry. The population of these seven counties, in 1911, was 335,000, — only 7 per cent. of the population of Scotland. It has decreased constantly since 1851 when it was at its maximum of 395,000. Moreover, these counties include in their great total

area only 15 per cent. of the cultivated land in Scotland. The average size of a holding (exclusive of mountain or heath land used for grazing) is 24 acres as against 85 acres for the rest of Scotland.

Agriculture in the Highlands and Islands, therefore, may be said to have a special character of its own which has been recognised in and emphasised by the special legislation applied to these regions in a series of acts, beginning with the Crofters' Holdings Act of 1886 and ending with the Small Landholders (Scotland) Act of 1912. The working of the various acts is described in a recent article in this *Bulletin* (1) to which the reader may usefully refer.

One point of quite minor importance may conveniently be explained here, namely, the inclusion of kelp-making in a report dealing with home industries. Strictly speaking it is not a home industry, since it consists in the burning of seaweed in the open air, and the carting and burning of seaweed is heavy work even for the men ; but, like home industries strictly so called it is supplementary to agriculture, and it is an important means of support in the Orkneys and several of the Hebrides. Further, the Board of Agriculture, for which the report was prepared, has powers and responsibilities in relation to "rural industries," and kelp-making certainly falls under this head.

The most important home industry — and in many respects the most typical — is the making of the well-known "Harris" and similar tweeds, and we shall describe this industry first.

§ 1. The cottage tweed industry in the Hebrides.

Tweed which is either real "Harris" or is of the same type is made in the islands of Harris, Lewis, North Uist and South Uist, and to a small extent on the mainland, in the Western Highlands. The tweed is a very distinctive type of cloth, — light, loosely spun and woven, warm and elastic, — admirably adapted to the requirements of the golfer and the sportsman and, in general, all those persons who lead an active outdoor life in the country. The cloth, at its best, is made entirely by hand ; but unfortunately the term "Hand-made" applied to cloth is more than usually vague in its meaning, and this fact has been taken full advantage of by unscrupulous dealers.

The processes through which the raw wool passes in the making of the tweed are washing and drying, teasing, dyeing, carding, spinning, weaving, and finishing. In all the processes, except the actual weaving of the yarn, the great majority of the workers are women. The nature of the dyes used is an important matter, the harmonious blending of subdued natural colours being one of the characteristics of real "Harris." Most

(1) John M. Ramsay : Small Holdings in Scotland and the Effects of Recent Legislation Regarding Them. *Bulletin of Economic and Social Intelligence*, February, 1914.

of the colours are obtained from vegetable dyes made from lichens, ferns, bracken, heather and other plants which grow locally; and the fact that certain plants are common in one district and rare in others contributes to give a distinct character to the product of each district, while the worker's skill in blending the colours gives, it is claimed, an individuality to each web of cloth.

After dyeing, the wool is generally sent to be machine-carded. Only in the case where the worker is very far from a carding mill is this part of the work still done by hand. The next process, when the carded wool has been returned to the worker, is the spinning, which occupies most of the time required for the making of the cloth. The spinning for a web of cloth (about 40 yards) will occupy a woman who is an average worker for a full month or more, working eight hours a day. The temptation to substitute machine-spun yarn for hand-spun yarn is obvious, if tweed woven from the former can be sold to an unsuspecting public as "Hand-made." After spinning comes weaving, and here again the woman who is nominally making the web sends the yarn to a weaver who charges a certain price per yard for making it into cloth. Finally, the worker, with the help of her friends, finishes the cloth by washing, stretching and drying it. The finishing, or as it is called the "waulking" of the cloth is made the occasion for something in the nature of a social gathering, the "waulking party" of women being joined, in the evening when the work is over, by the men, and becoming a dancing party.

Having made the cloth, the next concern of the worker is to find a market for it; and this brings us to the question of the organisation of the industry. Harris tweed-making had its beginning in the attempts to provide employment during a period of acute distress in the Highlands which lasted from 1836 till about 1850, and to some extent the organisation of it is regarded as a social and not as a purely economic question. The worker may dispose of the web to a local merchant or may sell it through one of two voluntary associations which exist, — the "Scottish Home Industries Association" and the "Crofters' Agency", — both of which work so as to pay the workers as high a price as possible for their cloth, leaving either no profit at all or only a very small profit for the capital employed. The Associations either sell the cloth wholesale or sell it retail at exhibitions and in the shops owned by the "Scottish Home Industries Association" in London and Edinburgh. The average price paid, in 1911, to makers of the tweed was 3*s*. per yard, and the cloth sold retail at 4*s*. 6*d*. per yard. The margin of profit seems high; but the expense of maintaining a selling agency is heavy, and the associations have to bear a double risk of bad debts: workers to whom they have advanced material may not deliver the tweed, and some of the customers to whom they sell may not pay.

In addition to the two associations mentioned, which are concerned with tweed-making in the Islands, there exist a large number of smaller organisations known as Home Industries Societies which aim at developing tweed and hosiery-making and other industries on the mainland.

Some of the latter societies are very small and as a rule they have practically no capital at their disposal, so that their operations are hampered through their inability to pay cash to the workers as soon as the goods are finished. In 1909, the "Co-operative Council of Highland Home Industries" was formed to represent and assist the various societies, including also the "Crofters' Agency" and the "Scottish Home Industries Association."

Two questions of interest arise in connection with any home industry. What are the real earnings of labour? and, what effect has the pursuit of the industry upon the health of the worker? In the case of the cottage tweed industry a number of considerations must be borne in mind. In the first place the women, who form the bulk of the workers, when they are teasing, dyeing, spinning, etc. are utilising time which they could not otherwise occupy usefully. The land in most cases does not give full employment to those who live on it, and the women cannot spend the whole day over their household duties. Nor do they work without interruption. They have duties which must be attended to both in the house and out of doors, so that they seldom have time to feel that the work is irksome or monotonous. As a rule they are working in healthy and pleasant surroundings, and such operations as the dyeing, washing and drying of the cloth are performed in the open air. Further, the worker sets her own rate of speed in working, and altogether the conditions under which tweed is made in Highland homes are very different from those which usually prevail in factories. The nominal earnings of workers in Harris, for all processes except weaving, are about 10*s.* a week. Where the wool used comes from the croft the worker has an advantage over those who buy the wool, and she may earn 11*s.* 6*d.* a week. In factory work — *e.g.*, in a Dundee jute factory — the same woman might earn about 25 per cent. more in wages, but she would also spend more.

Tweed-making is carried on chiefly in winter when, under any circumstances, the workers would be compelled to remain indoors a large part of the time. The workers can often work together and gossip as they work, and it has already been mentioned that the finishing of the web is made the occasion for a gathering together of relatives and friends to pass a social evening. As things are, life in the Highlands and Islands would undoubtedly, for a great many people, be poorer and more dreary without the tweed-making.

§ 2. Hosiery-making in Shetland.

It seems to be an historically established fact that the art of knitting was taught to the islanders in the Shetlands by Spanish sailors, the survivors of a galleon belonging to the Armada, wrecked on the coast of Fair Island in 1588. Fair Island lies in the channel between the Orkneys and the Shetlands, and it is remarkable that the hosiery knitted there still bears traces in the design of the religious emblems and observances of the original instructors.

By the middle of the eighteenth century the industry was apparently already an important one, as we learn from an old record of trade that in the year 1767, there were exported from Shetland 50,000 pairs of stockings valued at £1,250. At that time, and until some years later, the hosiery made was sold chiefly to foreign sailors who came to the Islands to fish, and the work was unknown to the people of the mainland. About 1790, the fineness of Shetland wool first attracted general attention at a time when a great impetus was being given to the production of wool throughout the whole of Scotland. According to the report of a Committee of the Highland Society which made investigations in 1790, the Shetland sheep was of a breed quite distinct from the Lowland sheep and was supposed to have come originally from Norway. At that time the sheep were allowed to run wild upon the Islands and the wool was plucked from each animal instead of being shorn off in fleece. When the wool was first shown in Edinburgh it aroused a great deal of interest and is described as being extremely fine in texture, falling in soft ringlets and of a glossy and snowy appearance, equal, at least, to the best Spanish.

By the year 1797, the value of the annual production of Shetland Hosiery had increased to £17,000. Stockings and shawls were the first articles produced. Veils, gloves, underclothing, gaiters, knitted articles for children's wear, cardigans and sweaters were added later, and at the present time the annual production is valued at about £ 30,000 a year.

The organisation of the industry is of the simplest type. In some cases the wool is both hand-carded and hand-spun ; in others it is sent to the mainland to be carded and spun by machinery ; and in others again it is machine-carded in Shetland (where a single small mill exists), and is then spun by hand. Whether hand-spun or machine-spun wool is used depends upon the type of garment which is to be made. Some of the best workers prefer all their wool to be hand-carded, claiming that machine-carding ruins the finer fibres of the wool. With these workers it is not a case of unreasoning prejudice, since many of them have given a fair trial to machine-carded wool ; and it is to be noted that Shetland wool lends itself particularly well to successful hand-carding. Shetland hosiery (except that made in Fair Island) is never dyed, but is made in the natural wool which occurs in a great variety of shades, from white to a very dark brown. Fair Island hosiery, on the other hand, is dyed in bright colours, and it is unfortunate that the colours as a rule are not particularly well blended and the workers persist in making articles which are no longer in demand except as curiosities. Dr. Scott suggests that it would be worth while to investigate the characteristics of the Continental wool-work of the sixteenth century which is without doubt the model from which the Fair Island designs have been copied. At present, he says, the workers " just fail to secure rich and harmonious effects. "

It is not easy to make any exact calculation as to the earnings of the workers, and this for two reasons : the truck system — payment in goods instead of in cash — is still common; and the workers keep no record of the hours they work. Those who know the industry well are of opinion

that the women on the crofts make from 4*s*. to 6*s*. a week by knitting or spinning, so that on a croft where the wife and daughters knit industriously in their spare time, their earnings represent an important addition to the family income. And the "disutility" of the labour involved is probably very low, at least in the case of women for whom hosiery-making is purely a spare time occupation. When spinning and knitting are practically the sole means of support, as is sometimes the case when a woman has been left a widow, they naturally become monotonous if not laborious tasks, and, as long hours must necessarily be worked to gain a living, the disutility of labour in these cases is high. But here social custom in the Islands lightens the burden. Poor persons who have to make their living by hosiery-making are in the habit of making small presents to people who have wool, and in return they receive exceptionally good value when they come to buy. It is probable that there is often a balance of enjoyment for the workers in the performance of their tasks. This is certainly true of the carding of the wool, which like the finishing of the web of cloth in the Hebrides, is made a social function. As Dr. Scott puts it: "On the western side of the largest island the function, known as "a cairdin," occupies an important place in the life of the younger members of the community. In fact, the faces of the spinners always brighten when "a cairdin" is mentioned — those of the more youthful knitters with pleasant anticipations, those of the older workers with kindly recollections."

The workers sell the articles they make direct to local merchants, who, since the provisions of the Truck Acts have been enforced, are compelled to pay in cash. The merchants sell a certain amount of hosiery to the summer visitors who come to the Islands, but they sell the bulk of it wholesale to London dealers. There are complaints from time to time from the dealers that garments are badly shaped. This defect is due, as a rule, to carelessness or the lack of proper appliances in the last stage of production, — the washing, stretching and drying of the knitted articles. Defective garments are returned to the merchant in Shetland, and, as he has already paid the worker, he has to bear the loss himself. Naturally he protects himself by offering, in general, a slighter lower price for work, so that ultimately all the workers pay for the carelessness of a few. The success of the whole industry depends upon the maintenance of a high standard of quality. Shetland wool is of extraordinary fineness of texture and well-knitted well-finished garments made from it will always find a market at good prices. But if the work deteriorate in quality it will not be able for long to compete against machine-made hosiery which, year by year, is improving in quality and finish.

One problem of fundamental importance to the success of the industry has still to be solved, namely, how to prevent machine-made goods from being sold as hand-made. It is admitted that there is often considerable ambiguity — to use a mild term — in connection with the description "Hand-made," and even with respect to the word "Shetland," though the firm that issued the label "*Warranted best quality - A A Shetland - 4 oz. full weight - Manufactured in Germany*" can hardly be accused of

anything but an astonishing ingenuousness. The difficulty arises chiefly from the fact that a garment is often machine-made as to one process and hand-made as to another, and the only solution seems to be the one suggested by Dr. Scott, namely, that the finished articles before leaving Shetland shall be submitted to public inspectors who, after examination, shall affix to each an appropriate label which shall be a full and accurate description of the class to which the article belongs. Thus, for a garment made entirely by hand, the label might read: "*Shetland Hosiery: Hand-carded, Hand-spun, Hand-knitted.*"

Such a system of inspection is quite practicable. Dr. Scott suggests that the inspectors might be officials appointed by the Board of Agriculture for Scotland and that the system might be made self-supporting by charging a small fee for each article inspected. The method proposed has certain decided advantages. It would ensure that each worker received full credit for the hand-work which had entered into the making of each article, and it would be a reliable guarantee to the customer as to the type of article he was buying. Moreover, it has the advantage of being quite impartial, simply describing each article and leaving to others to pronounce upon the respective merits of hand-made and machine-made goods.

§ 3. The kelp industry.

Kelp is made from seaweed, either cut from the rocks with sickles or thrown up on the shore by the waves after rough weather. The seaweed is collected, and after partial drying in the sun is gradually burnt in kilns' which may be specially constructed, though a kiln is often no more than a shallow hole dug in the earth. When a sufficient quantity of seaweed has been burnt, the kelp-makers stir the hot ashes with long poles until a glutinous mass is formed of the consistency of moist clay. When the whole mass has been well worked with the poles it is covered up to protect it from rain and allowed to cool. When cold it is of a greyish or leaden colour, and in consistency and weight resembles coarse lava. In this form it is exported, being valuable chiefly for the iodine and potash salts which it yields.

The industry was introduced into Orkney in 1722 and the first cargo of kelp produced was exported to Newcastle. The crofters were strongly opposed to the new industry and for long refused to undertake the work, serious rioting occurring when attempts were made to bring kelp-makers from a distance. The crofters affirmed, as the grounds of their opposition, that the seaweed was required as manure, and that the smoke of the burning drove the fish away. It would seem that neither complaint was well founded: the fishing had failed in the Orkneys more than twenty years before kelp-making was introduced, and the fact that kelp is made in any district need not prevent the crofters from obtaining a sufficient supply of suitable seaweed as fertiliser for their land. From the Orkneys, the ind-

ustry spread to North Uist and other islands in the Hebrides, and though at first the price paid for the kelp was low, even a low price meant an appreciable and welcome addition to the resources of the crofters.

Nothing is more remarkable in the history of the industry than the fluctuations in the market price of the product. In the first years the price was sometimes less than £1 a ton. From 1740 to 1760, the average price was £2, 5s. and the price rose steadily to an average of £9 a ton for the years between 1790 and 1800. For a number of years during the war with France the price was as high as £ 20 per ton, and the average from 1800 to 1820 was £10, 10s. Prices began to fall after 1812, and by 1840 they had fallen as low as from £ 2,10s, to £ 4 a ton. There was some improvement in price immediately after 1840 but the industry as a whole was in a state of depression from 1840 to 1870 and in some places kelp-making was abandoned as unprofitable. There has been, upon the whole, a recovery of the industry since that date, and in more than one way the position of labour in it has improved. At one time the whole of the kelp produced in a particular district was shipped in bulk and the proceeds were divided on the basis of the weight of kelp contributed ot the shipment. Now the kelp made by each family is kept distinct, being packed in bags and duly labelled, and is paid for on the basis of quality as well as quantity, each parcel shipped being analysed at the factory. A detailed return as to the sale is made in every case, so that any mistake made can be detected at once and corrected, and disputes as to the amounts due to the workers, once very common, now seldom occur. Since 1905 there has been a large increase in production and the prospects of the industry are distinctly good.

§ 4. The position of the Board of Agriculture for Scotland in relation to home industries.

There are, in the Highlands and Islands of Scotland, a number of home industries of minor importance (1), but enough has already been said to show that these industries play an important part in the economic life of a large number of the people. In fact, where the crofter population is dense, home industries which enable the women-folk to add to the family income are really necessary if the people are to live at all; while it is to the extension of such industries that attention may be most hopefully directed in any endeavour to raise the standard of living of the people throughout the Highlands and Islands.

Nor, as Dr. Scott points out more than once, is it from a purely economic point of view only that it is desirable to encourage and develop

(1) Among those referred to by Dr. Scott in his report are: lace-making, at Tarbert and New Pitsligo; basket-making at Portree, Kilmuir and a few other places; wood-carving at Connel and Tarbert; rug-making in the Shetlands; and (upon a very small scale) metal-work, violin-making, straw-plaiting, pottery and the making of sealskin shoes.

home industries. Work at these industries has a social and educative value which cannot be overlooked. It has repeatedly been asserted that the inhabitants of the Highlands are indolent. Dr. Scott is certain that as far as the women are concerned, the charge is unfounded, but adds that it is impossible to escape the conclusion that the men work less steadily and consistently than the women. The women, in fact, have been trained by the work which they take up in their spare time, to habits of industry : the men, whose main occupation as small farmers leaves them with much idle time on their hands, have not the resource of the home industries, and never acquire the same powers of steady application which the women acquire while they are still young. The remedy is in the introduction of home industries suitable to male workers, or the extension of rural industries such as kelp-making.

Dr. Scott suggests another reason why home industries and industries supplementary to agriculture should be encouraged in the Highlands. The Celtic temperament, he thinks, is one which requires change of occupation. " It seems ", he says, " to want that inertia which starts slowly but continues long : rather it begins quickly; and, while for a short period it can work long hours most intensely, a time comes before long when a change of occupation, is needed. It is for these reasons that specialisation need not be expected to occupy a large place in Highland labour economy." The inference which we are left to draw is that in the Highland labour economy there is place for a number of industries which will provide part-time occupation, especially for the men.

The experience of other countries, — Ireland is an example near at hand, — shows that home and rural industries can best be built up upon the foundation of a good system of technical instruction. The success of most home industries depends upon keeping the taste and skill of the workers at a high level. The product of the home industry must be something with which the factory product can never quite compete ; and one of the dangers which constantly threatens the permanence of a home industry is that those who direct the fortunes of the industry, misconceiving the true interests of all concerned, may attempt to organise it for competition with the factory industry. In such an event the artistic level of the work produced is bound to fall, and inevitably, with all the advantages for organised production which the factory possesses, the home industry will gradually decline and finally disappear.

The few considerations which have just been presented suggest to some extent the manner in which the Board of Agriculture for Scotland can best use its powers in relation to home industries.

The Board has the general duty of " promoting the interests of rural industries in Scotland " ; and further, " may undertake the collection and preparation of statistics relating to agriculture, forestry and other rural industries, and make or aid in making such enquiries, experiments, and research, and collect or aid in collecting such information relating thereto as they think advisable. " And again, under the Small Landholders

(Scotland) Act, it is the duty of the Board " to promote, aid, and develop instruction in rural industries ".

It is a fortunate circumstance that in Scotland the home industries at which the crofting families work depend very largely up the crofts themselves for their raw material. Hosiery-making in Shetland owes its success in a very large degree to the fineness of the local wool ; the tweed industry calls for a regular supply of wool of high quality ; and basket-making which is one of the most promising of the minor industries, can only succeed if suitable osiers can be procured abundantly and at a reasonable cost.

The Board of Agriculture, therefore, has it in its power to promote the success of a number of industries by promoting agriculture in general, and, in particular, by encouraging sheep-breeding and taking steps to improve the quality of the wool produced. A large part of the wool used for tweed-making in the Hebrides has to be imported, as the local supply is insufficient ; and moreover, the wool produced on the crofts is not good enough for the best Harris tweeds. There has, without doubt, been a steady deterioration in the quality of the sheep bred in the Hebrides, and Shetland wool shows signs of very similar deterioration. To this side of the problem the Board is already devoting serious attention, and steady progress is being made. All the activities of the Board in this direction may be expected to react upon home industries providing them with better raw materials and with a more abundant supply.

But the provision of raw materials is not sufficient. It does not solve the problem of starting new industries or of raising the level of the work done in existing industries. Organised technical instruction is needed if either of these objects is to be achieved.

Dr. Scott suggests that such instruction should be furnished in the poorer districts in connection with any industry which it is proposed to start, provided that after a careful examination of all the circumstances there seems to be a fair prospect of the industry succeeding. The instruction provided should be temporary. After instruction for one or two years the workers should be left to themselves ; if they succeed by their own efforts in building up anything in the nature of an industry they might receive a further course of instruction after an interval of some years. In this way new processes and any new developments of the industry would be brought to their notice and they would be encouraged to make further efforts. A second course of instruction would, in fact, be a reward for good work done, and an incentive to do still better.

With respect to existing industries, the rule that instruction should be temporary still holds good. The efforts of the instructor provided should in every case be concentrated upon some particular problem, and when the problem has been satisfactorily solved in one district the instructor should move on to another. It has already been proved, by the experience of the Congested Districts Board in the Harris tweed industry, that such instruction is capable of yielding excellent results. When the tweed made in the Hebrides first became known to a wide market

it was inferior in two important points, — in dyeing and in weaving. Instruction was provided by the Congested Districts Board and a great development of the trade resulted. Faults which were common in the cloth twenty years ago are now rarely seen. There is still room however for improvement and development. The weavers, as a rule, work well; but the range of patterns which they produce is narrow, and much might be done to extend it. There is also a dye problem to be solved. New colours and new shades have been introduced but, as Dr. Scott says, "there is more than a suspicion that many of the new colours fade," and a considerable amount of research will have to be done in order to determine and make known which colours are really fast.

The provision of suitable instruction should be the duty of the Board: the supervision of the instruction, however, should devolve upon local committees. In the first place many local committees for the encouragement of home industries already exist, and it is desirable for many reasons that the services of the voluntary workers on these committees should be utilised as fully as possible. In the second place, only a local committee, whose members are familiar with the industry concerned, is in a position to decide to whom the instruction shall be given, when it shall be given, how far it is fulfilling its purpose, and the many other questions which are bound to arise. "A local committee", writes Dr. Scott, "must supply qualities of the same kind as those found in the board of directors of a well-managed joint-stock company, and in addition, many of those of managers of departments. In all home work it must maintain the quality; it must also try to improve designs and to extend its market. These efforts are largely personal, depending on the disposition and opportunities of the individual members. If the popular account of the national character for shrewdness, prudence and foresight is accurate, Scottish home industries should have a distinct advantage over those of all other countries in their management."

In another matter of great importance to the future of many of the home industries the Board of Agriculture should be prepared to furnish expert advice and assistance, namely, in the case of proposed schemes for utilising small units of mechanical power. Throughout the Highlands and Islands there are innumerable small rivers and waterfalls, each capable of furnishing motive power to a small mechanical plant The chief obstacle to their utilisation is the lack of mechanical knowledge among the people and the difficulty of obtaining advice from an expert engineer. The Board should, upon request, examine any proposed scheme for turning water power to use in driving simple machinery; and the adoption of mechanical power might in many cases lead to the foundation of a new industry or to the extension of one already established.

Finally, Dr. Scott is of opinion that it is the duty of the Board to examine the question of co-operative credit in relation to home industries, and to assist in developing a system of credit societes, should such a system prove upon examination to be adapted to the needs of the workers. There is good reason to believe that co-operative credit would be of great assist-

ance in developing certain home industries. The workers need a certain amount of capital before they can begin work. The woman who knits hosiery needs probably less than any other worker, yet even she needs a supply of wool ; and if she cannot buy it herself she must be indebted to some person who advances it. This person is usually the merchant who buys the finished articles, so that the worker finds herself continually bound to work for one employer. The dangers of such a system are obvious, and have been illustrated over and over again in connection with different industries in every country in the world. The worker should be able to buy such raw material as is needed, freely, in the cheapest market accessible, and to sell the finished product, with like freedom, to the highest bidder. A credit society by advancing comparatively small amounts for the purchase of material might place the workers in home industries in a position of something like economic freedom. It would not be necessary to form credit societies specially for workers in home industries. It would, indeed, be better if a single society in each locality undertook to provide credit to the crofters for agriculture and to the crofters' wives and daughters for spinning, weaving, knitting, etc. One of the difficulties in conducting a purely agricultural credit society lies precisely in the fact that the funds of the society are all required by borrowers about the same time, and are in the same way repaid about the same time. The crofter for his farming operations would usually require a loan in the spring, which he would repay before the end of the year ; and an agricultural credit society would be likely to have a very large part of its small capital lying idle during the winter. But it would be towards the beginning of winter that the women would require advances to enable them to work at their customary home occupation, and thus the funds of the society might find profitable employment all the year round.

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We shall conclude by reproducing the figures relating to home industries in 1911 which are presented in the form of an appendix to the report. The figures are as follows, the amounts shown being the value of the products which found their way to the open market :

Statistics of certain rural industries.

Harris tweed (including tweed made in Lewis, North Uist, South Uist, St. Kilda, Skye, Islay, Orkney and Shetland)	£ 83,399
Sales of twenty-four Home Industries Associations on the mainland. These sales consist chiefly of tweed	6,292
Shetland hosiery	30,390
Lace made at Tarbert	150
Straw and basket-work	994
	£ 121,225

It will be noted that kelp is not included in the above list. No figures are furnished in the report as to the total value of the kelp produced in Scotland in recent years, and we know only that, in 1911, good prices were being obtained, the output was increasing, and the situation of the industry was stronger than it had been for many years previously.

MISCELLANEOUS INFORMATION RELATING TO AGRICULTURAL ECONOMY IN GENERAL IN VARIOUS COUNTRIES.

BRAZIL.

FEDERAL AGRICULTURAL COLONIES IN 1913. — According to the Report presented to the President of the Republic in July, 1914, by the Minister of Agriculture, the agricultural colonies belonging to the Federal Government were fourteen in number at the end of 1913 and were established in the States of Espirito Santo, Rio de Janeiro, Minas Geraes, São Paulo, Parana and Santa Catharina.

These colonies covered an area of 4,060 square kilometres and had a population of 5,810 families, consisting of 29,316 persons, of original nationality as follows:

Original Nationality	Families	Individual Members
German	1,041	5,234
Austrian	1,914	9,151
Belgian	2	13
French	26	125
Spanish	73	387
Dutch	54	313
Italian	120	739
Japanese	29	170
Portuguese	102	549
Russian	1,283	5,034
Swedish	2	4
Swiss	24	131
Miscellaneous	6	40
Brazilian	1,134	6,426
Total	5,810	29,316

CHINA.

THE REFORM OF THE LAND TAX IN CHINA. — As China can no longer borrow abroad on account of the war, she has been trying to find in her own country the money she requires. She has thus been led to discover

resources unsuspected by her. The home loan of sixteen million dollars was subscribed to the amount of twenty five million, which suggested to the Government the idea, not yet however put into execution, of a new appeal to Chinese " capitalists ". The new taxes decided on a year ago have to a large extent given the results expected of them. But it is above all the taxes reorganized by foreigners that contribute to fill the Treasury : the maritime customs dues and the tax on salt. The gains obtained through these two branches of national revenue have reminded the Government that Sir Robert Hart formerly suggested a reform of infinitely greater importance than that of the maritime customs, with which his name remains associated : the reform of the land tax. In an essentially agricultural country like China, with such extensive areas of fertile land, the land tax ought to be by far the most remunerative. Now it scarcely brings in more than 50,000,000 taëls, (1) whilst Sir Robert estimated the amount that could be exacted without oppression of the taxpayers at 400,000,000 taëls.

But if the reform appears highly desirable, it unfortunately presents serious difficulties. The first is that an edict of 1713 definitely fixed the rate for the land tax, guaranteeing the population for ever against its increase. The last Manchus did not feel themselves strong enough to touch a matter thus settled for ever. The Government, doubtless, does not consider itself bound by the edict of 1713, but prudence must advise the Republic to avoid an increase of taxation against which the Monarchy has guaranteed the people. It is true that, if the amount of the land tax as shown in the statements of revenue does not exceed the figure fixed in 1713, still a large number of additional taxes have been for a long time successively accumulating by the side of the land tax, the rate of the principal tax not being thereby raised as these others only accompany it. Such are among many others *the charge for collection*, the *tax on exchange* of the local token coins for taëls and last of all the *surcharge*, which is only a second land tax, increasing several times, in certain provinces, that established in 1713. Taking into consideration all these additions and the subterfuges resorted to during the course of the land tax from the purse of the tax payer to the public Treasury, Mr. Morse arrives at the conclusion that Honan, where the land tax yields officially 8,500,000 taëls, really pays more than 28,000,000, taëls. An investigation made by Parker in Szechwan shows that the accessory taxes accompanying the land tax in that province increase its amount tenfold.

It is therefore certain that the Government must be able to increase the yield of the tax without increasing the burden. Much rather, according to the *Hong Kong Daily Press*, if it succeeded in collecting the whole of the land tax, would it diminish it considerably. In any case the Governors of the provinces have been invited to send delegates to a conference at Pekin to prepare a complete plan. Meanwhile, by way of experiment, the reform is being attempted in two provinces, Chehkiang and Kiangsu.

(1) The customs taël is worth on an average 3.28 fr.

A land survey office has been instituted at Pekin, under the direction of General Tsao-To to revise the estimates made in 1713, to make a return of the land brought under cultivation since that date and divide the farms into several classes according to their fertility.

It is anticipated that the complete realisation of the reform will take seven years. The improvement it will make in the public finances will then be rather delayed, and on the other hand it is probable that the receipts will remain far below Sir Robert Hart's estimate. But the Government can not be too much praised for its initiative.

(Summarised from the *Revue Indo-Chinoise* of March-April, 1915).

FRANCE.

UTILISATION OF PRISONERS OF WAR FOR AGRICULTURE. — In reply to a question put by the Deputy, M. Girod, the Minister of War laid down the following conditions for the employment of prisoners of war in agricultural work. The farmer must feed and lodge the prisoners; he must further pay 40 centimes per man per day : that is 20 centimes for clothes and articles of personal use, and 20 centimes pocket money. The gangs will consist of 20 men and the applicant will obtain them through the departments, communes and syndicates.

SWITZERLAND.

FINANCIAL ASSISTANCE GRANTED BY THE CANTONS FOR THE ENCOURAGEMENT OF HORNED CATTLE IMPROVEMENT. — The financial assistance the Swiss cantons give to encourage horned cattle improvement may be classified as follows :

1. Prizes to individuals.
2. Subsidies granted to syndicates and prizes to groups.
3. Payment towards expenses of experts.
4. Subsidies in connection with mountain pastures.
5. Miscellaneous subsidies in connection with horned cattle improvement.

The following table shows the total expenditure supported by the cantons in connection with horned cattle improvement in 1912.

Cantons	Total Expenditure	Expenditure per 100 head of cattle	Expenditure per 1,000 persons engaged in agriculture
Glarus	16,450	191.23	3,572.98
Grisons	96,870	178.40	2,387.90
Geneva	12,625	171.28	1,446.32
Bâle-City	2,248	159.32	1,536.56
Vaud	94,646	108.98	1,326.85
S. Gall	87,164	103.19	2,050.38
Fribourg	70,078	92.20	1,505.47
Schwyz	22,632	91.53	1,792.35
Schaffhausen	8,514	87.47	781.31
Neuchâtel	15,990	78.16	1,459.87
Zug	9,132	77.92	1,852.70
Zurich	67,985	76,98	1,088.56
Appenzell E.	12,467	75.26	2,080.60
Appenzell I.	4,951	68.41	1,988.35
Nidwald	4,425	66.33	1,210—
Obwald	6,338	66.33	1,128.96
Berne	148,000	62.22	987.43
Solothurn	19,089	57.27	801.72
Valais	25,085	49.80	447.23
Uri	4,088	48.46	671.37
Bâle-Country	8,969	47.46	669.57
Thurgau	26,143	45.89	877.23
Ticino	14,568	44.91	315.15
Aargau	27,003	37.68	470.88
Lucerne	34,374	36.69	766.37

As we have said, a large proportion of this assistance is given to the *Cattle Improvement and Mountain Pasture Syndicates* in the different countries.

In order better to show the increase in the expenditure of the cantons since 1880 in behalf of cattle improvement, we add the following table, premising that the figures include not only the expenditure in behalf of horned cattle improvement but also that in behalf of horse, pig and goat improvement.

Cantons	Total Expenditure				Expenditure per 1,000 persons engaged in agriculture			
	1880	1890	1900	1912	1880	1890	1900	1912
Glarus	3,643	5,364	11,172	17,331	791.27	1,165.07	2,456.29	3,764.33
Grisons	10,106	15,000	27,887	101,370	250.60	371.41	687.43	2,498.83
Appenzell I.	200	1,973	3,669	6,184	80.32	792.37	1,423.49	2,483.53
S. Gall	17,832	39,219	84,631	104,539	419.47	922.56	1,990.80	2,459.10
Appenzell E	618	4,157	9,501	13,282	103.14	827.27	1,585.61	2,216.82
Schwyz	3,517	6,923	13,278	25,492	278.53	548.27	1,051.56	2,018.85
Fribourg	12,529	20,836	43,443	88,350	269.16	447.61	933.27	1,910.89
Zug	—	2,298	5,741	9,350	—	466.22	1,164.74	1,826.94
Bâle-City	—	—	—	2,448	—	—	—	1,673.27
Neuchâtel	—	2,735	20,709	18,266	—	249.70	1,890.71	1,667.67
Geneva	—	—	6,862	14,125	—	—	786.12	1,606.71
Vaud	38,790	43,222	111,662	112,741	543.80	605.94	1,565.41	1,580.53
Berne	55,048	72,109	121,916	217,927	367.27	481.10	813.40	1,553.96
Zurich	12,018	23,649	48,836	88,330	193.44	378.66	782.38	1,414.32
Obwald	—	3,400	4,755	7,623	—	605.63	846.99	1,535.86
Nidwald	1,457	1,842	4,730	4,735	398.41	503.69	1,293.41	1,294.78
Solothurn	3,245	5,587	13,647	25,981	136.27	234.65	573.16	1,091.18
Schaffhausen	2,315	4,122	6,491	11,314	212.44	378.27	595.67	1,037.35
Thurgau	6,827	8,125	18,024	30,496	221.25	263.31	584.11	988.30
Lucerne	9,769	15,472	29,494	42,072	217.80	344.95	657.57	938 —
Bâle-Country	6,111	5,544	8,414	11,238	456.22	413.88	628.14	838.97
Uri	698	2,190	3,165	4,628	114.63	359.66	519.79	760.06
Valais	958	13,629	27,530	30,666	17.08	242.99	481.80	546.74
Aargau	3,397	14,301	22,489	30,331	59.24	249.38	392.17	537.64
Ticino	—	3,240	12,423	15,958	—	70.09	279.57	345.22

We shall now briefly consider the results obtained through the action of the cantons in promoting and improving cattle improvement. The figures we publish are reproduced from the publication on the *Collective Exhibits of the Cantonal Departments of Agriculture at the National Exhibition of Berne.*

Between 1886 and 1911 the amount of Swiss horned cattle had increased by about one fifth. In fact, in 1886 Switzerland had 1,212,538 head of horned cattle, which had increased in 1911 to 1,443,438 head. There was thus an increase of 230,945 head or 19.05 %.

The Canton now possessing the largest number of head is Berne, (316,868). Then come Lucerne (113,034), Zurich (111,034), Vaud (108,210) S. Gall (106,513), Fribourg (101,796) etc..

The canton that shows the largest increase per cent for the period 1886-1911, is Thurgau with 42.12 %; then come Lucerne (31.7 %), Fribourg (31.17 %) and Bâle-Country (30.23 %). We find the average increase for the whole of Switzerland (19.05 %) was exceeded also in the cantons of Zug, Obwald, Zurich, Aargau, Appenzell I., Berne and S. Gall. The cantons in which there was an increase below the average for all Switzerland were Schaffhausen, Vaud, Geneva, Neuchâtel, Nidwald, Schwyz, Appenzell E., Grisons and Glarus. Four cantons showed a decrease, namely Uri, Valais, Ticino and Bâle-City.

(Summarised from a series of articles published in the *Agricoltore Ticinese* of Locarno, Numbers of January 10th., February 6th. and February 21st., 1915).

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO AGRICULTURAL ECONOMY IN GENERAL.

BRITISH INDIA.

MORELAND (W. H.) : THE WAR AND INDIAN WHEAT. In the *Quarterly Review*, No. 444, July, 1915, pp. 94-107.

The writer thinks that economists will look back to the years beginning with 1914 as an era of great experiments, and that, of experiments already in progress, few are bolder and few of greater interest than the undertaking of the Indian Government to regulate the price of food throughout the vast area of the Dependency.

Superficially, the Government scheme is simple. India exports annually some two million tons of wheat, about a fifth of the total crop, and by assuming control of all export sales the Government authorities are able effectively to regulate the price of wheat throughout the whole of India. No private exports are allowed : the Government will buy wheat in quantities and at prices to be determined by itself, will ship this wheat to the London market and will retain, for the benefit of the country as a whole, any profits that may be derived from these gigantic operations.

Mr. Moreland is of opinion that the Government scheme as an emergency measure is likely to prove successful. India sales for export are in the hands of a small number of important firms and there was a serious danger that, tempted by high prices in the foreign markets, these firms might push exports to such an extent as to leave the people of India without sufficient food. This danger has been avoided by effecting a compromise in the price. The producers of wheat, hearing exaggerated accounts of the high prices ruling abroad, had been expecting to reap very high profits, —an expectation which the action of Government will very largely disappoint ; but, on the other hand, the consumers of wheat who are not also producers will be guaranteed sufficient wheat for their needs at reasonable prices. Economic forces left to themselves would have transferred a considerable amount of wealth from the classes which consume and do not produce wheat, into the pockets of the producers of wheat. The action of Government has prevented such a transfer, and the scheme, therefore may have indirect results which were not contemplated by the authorities.

When the need for wheat was realised in India last September the cultivators in some British provinces and in some of the Native States were urged to plant wheat in preference to other crops, such, for example, as

oil-seeds. The Government has now deprived wheat producers of a part of what they are inclined to regard as their legitimate profits, and next season cultivators may be discouraged from sowing wheat, or at least from increasing their sowings. It is quite possible that the need for wheat may be more urgent next summer than this, and it would be regrettable if it were found that the cultivators were disinclined to make any special effort to increase production. If the authorities succeed in their immediate aim without seriously shaking the confidence of the peasants in their ulterior motives they will have good reason to congratulate themselves.

FRANCE.

CÉNET (A).: MANUEL DES HABITATIONS À BON MARCHE ET DE LA PETITE PROPRIÉTÉ. (*Handbook of Cheap Dwelling Houses and Small Holdings*). Paris, librairie Dalloz, 1914.

The collection of Dalloz's Manuels has just been enriched by the addition of an excellent volume on cheap dwelling houses and small holdings. Its author, M. A. Cénet, was well prepared for the task of writing it, in his capacity of Secretary to the Cheap Dwelling House Patronage Committee of the arrondissement of Lyons and Vice-president of the National Federation of Co-operative Cheap Dwelling House Societies ; he has had eminently practical experience.

The work consists of two parts, of nearly equal length. In the first, the author has studied very carefully and methodically the various organizations, with which the readers of this Bulletin are well acquainted, for propaganda in favour of, inspection and building of cheap dwelling houses. The second part is a very complete collection of forms for guidance, such as could only haveb een made by a man of practical experience and includes every thing the builder of cheap dwelling houses or the founder of a society for the purpose requires to know in the matter of law. Model rules, deeds or contracts, regulations, and book keeping forms pass before the reader's eyes without wearying him, owing to most successful printing. M. Cénet's book is a vade mecum for practical men.

GREAT BRITAIN AND IRELAND.

WINCKWORTH (C. ALLEN): THE HOUSING OF THE AGRICULTURAL LABOURER. "Journal of the Royal Agricultural Society of England", Vol. 75, 1914.

The question with which this article deals has been much discussed in recent years in England. It has figured in many of the reports and other publications relating to the land question and, in particular, formed the

subject of an important chapter in the Report of the Departmental Committee on Buildings for Small Holdings, appointed by the Board of Agriculture. This Committee recommended as the minimum requirements of a labourer's cottage a living-room, a scullery and a larder on the ground floor and three bedrooms on the first floor. As an alternative, they suggested that a parlour should be provided in place of one of the bedrooms.

The writer of the article approves of the provision of a parlour, noting the tendency of labourers' families to use the scullery as a living-room and to treat the living room as a parlour which can be kept decently clean and tidy and where what they consider their best things can be kept as free as possible from wear and tear and out of the children's reach. The remedy recommended by the Departmental Committee was that the scullery should be made too small for use as a living-room, but Mr. Winckworth suggests, in preference, that when, on account of the extra cost, the provision of three rooms on the ground floor is out of the question, the scullery and kitchen should be combined in one large room and that a small parlour should be provided instead of a separate scullery. The desire for a parlour is so strong that it cannot be ignored and it is better to set aside a small room for this purpose than a large one.

Appended to the article are plans for detached cottages, pairs of cottages, and blocks of four cottages, designed according to the writer's views of the accomodation required, and the various accessories which it is desirable to include are discussed at length.

RUGGERI ALFREDO, gerente responsabile.

INTERNATIONAL INSTITUTE OF AGRICULTURE

BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

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VIth. YEAR — NUMBER 10

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Part I: Co-operation and Association

UNITED STATES.

THE ORDER OF PATRONS OF HUSBANDRY ("THE GRANGE").

II. — *GRANGE WORK AND IDEALS AND THE LATER PROGRESS OF THE ORDER* (1).

In the June number of the *Bulletin* we gave an account of the origin of the Patrons of Husbandry, known popularly as the Grange, and traced the somewhat chequered history of the Order from its foundation in 1867 down to the year 1880. We described how the National Grange was founded in Washington by a small group of Government employees led by Oliver Hudson Kelley, how it achieved in a few years an enormous popularity, which, as it was based for the most part on an entire misconception of the Order's ideals and aims, was largely unsound, and how, when the bubble of popularity burst after a brief existence, the Order collapsed, and was saved only because the founders and a small remnant of their followers remained faithful to the original aims In 1880 the fortunes of the Grange were at a very low ebb, and many people were under the impression that the Order has ceased to exist. Other organisations, frankly political in character and appealing, therefore, much more strongly to the average American farmer, had taken its place in the public estimation. The Grange in fact really prepared the way for a powerful political movement in which the farmers played a prominent part. It was inevitable that the Order should disappoint the hopes of those who had planned to use it as a party organisation, and it is a most fortunate circumstance that shortly after 1875, it definitely won

(1) The material for this chapter has been collected in the main from the *National Grange Monthly* and from the *Journal of Proceedings of the Annual Session of the National Grange*, from 1904 to 1914. Chapter I of the article on the Grange ("Origin and Early History") appeared in the *Bulletin* for June, pp. 1-16.

clear of the maelstrom of American politics. From that time onward the Order has confined itself to schemes of modest proportions connected, almost invariably, with some phase of the rural betterment movement. The important difference is, that whereas the high-flown schemes of earlier years failed clamorously, the later schemes of the Grange have been quietly successful; so that without attracting a great deal of public attention it has really done much for the development of social life in the country, for the extension of agricultural instruction and the promotion of education generally, and for the improvement of agriculture. In this chapter we wish to pass in review some of the work accomplished, or at least attempted, by the Grange in these various directions, beginning with some account of the influence of the Order upon the social life of the country districts.

§ 1. The Grange as a social centre.

There is good reason for considering first the social activity of the Grange. No problem, during the last decade, has occupied more attention in the United States than that of rural betterment, and students of the problem have been unanimous in paying tribute to the good work accomplished by the Grange in many districts in connection with the provision of wholesome recreation and amusement for the members of isolated or scattered communities. It is sometimes difficult for people who live in towns to realise precisely what is meant by an almost complete lack of opportunities for social intercourse, and those people are not likely to appreciate at its full value the work which the Grange has done to provide such opportunities. The truest appreciation of the work comes, in fact, from people who have spent their early life upon farms in the open country, and who know from bitter experience the dreariness of the long months of winter passed, by both young and old, practically without social relaxation of any kind In towns where innumerable associations, societies and clubs exist, one more or one less is a matter of but momentary interest and no particular importance; but it is not so in the country where, apart from the Grange, there is too often no association, no organisation of any kind, which attempts to bring people together for mutual instruction or recreation.

We have already described the general organisation of the Order, but it will be advisable here to examine a little more closely the composition and methods of working of the local units, known as subordinate Granges. The principal officers in a subordinate Grange, — all elected by the vote of the members, men and women being equally elegible for all offices, — are, Master, Overseer, Lecturer, Steward, Secretary and Treasurer. The Grange meets in session probably once a fortnight or even once a week in winter, and once a month in summer when the farmers have less time to spare from their work. Very often a number of neighbouring Granges combine and hold a kind of joint session which as a rule lasts a full day and is a happy combination of business and pleasure. The morning

is usually occupied with the secret business of the Order, the principal business (it may be presumed) being the admission of members to the various "Degrees." The afternoon session is devoted to listening to addresses by various speakers, but is enlivened by music, singing and recitations, and where circumstances permit there is an evening entertainment in which amateur theatricals figure largely, though dancing, for some reason or other, seems generally to be taboo. Many of the Granges own well-built halls in which their meetings take place, and in many cases these Grange halls are admirably equipped to serve as convenient social centres. The Grange Hall in Wilmington, Mass., for instance, is a building erected in 1911 at a cost of six thousand dollars, and contains a main hall fitted with a gallery and stage for meetings and entertainments, two ante-rooms, men's room, dining-room, kitchen, storeroom and furnace-room. The main hall has seating accomodation for 425 persons and the whole building is lighted, heated and ventilated in such a way as to make it a most comfortable and attractive meeting-place. And Wilmington is by no means an exceptional case: it is just a typical instance of a successful local Grange, and as time goes on the number of Grange halls throughout the country is being steadily increased. It is easy to realise how much the possession of a permanent building designed to serve as headquarters contributes to the success of a local Grange. Almost from time immemorial the meeting place for the men folk in the country has been the village or cross-roads "store," to which the men naturally drifted in the evenings and on wet days in winter when work upon the fields was impossible. The store offered little in the way of accomodation and nothing in the way of recreation or amusement, so that upon the whole it was apt to become the resort of the shiftless and idle members of the community. Moreover, it was only the men who met in the store; the women had no common meeting-place, apart perhaps from the country church or chapel. The schoolhouse was used on occasion for community gatherings, generally of a political character, but the one-room schoolhouse of the type which is common throughout America is neither a commodious nor a cheerful meeting-place, and the conception of the rural school as a social centre is, besides, comparatively new. The Grange has sought uninterruptedly to develop the usefulness of the district school, and we shall have more to say about that part of its work presently.

With a comfortable hall in its own possession a local Grange is able to organise its activities and thus offer some inducement to the younger members of the community to join its ranks.

The fact that women take part in all the work of the Order on an equality with the men, makes of every meeting of the Grange something in the nature of a social function. At full day meetings of county or State Granges it is generally necessary to provide one or even two substantial meals for the members present and the work of catering falls naturally upon the women. A Grange hall usually boasts a well-equipped kitchen, and as the women bring the necessary supplies from their homes there is no difficulty in preparing meals even for a large number of persons. In the summer months the Grange arranges for its meetings to take place as far as possible

out of doors. Where there are a number of subordinate Granges in any district at a convenient driving distance from one another, it is the practice for each Grange in turn to act as host and invite the members of the neighbouring Granges to visit its headquarters. These meetings are usually purely social affairs, such business relating to the Order as may be transacted merely reminding those present that they have a common tie in their membership of a national organisation and serving each one as a plausible reason for spending a pleasant day in the company of friends. There is no need to dwell on the fact that such meetings are helpful in giving the farmers an opportunity to discuss their common problems and in disseminating information and instruction. The meetings are more than justified by the fact that they provide relaxation and give real pleasure, and there would probably be less preoccupation on account of the country-life problem if they were more common than they are.

The social activities of the Grange, moreover, are not confined only to its own meetings or limited to members of the Order. Every country community has its days of public holiday and rejoicing, whether they be national holidays or local festivals, and on such occasions the local Grange is usually active in organising the day's proceedings and providing entertainments. Some of the local festivals are organised with a keen eye to business and are intended to attract public attention to some special product of the district or to the general advantages which it offers. Naturally there is in that case an exhibition of agricultural and other produce, and Grange exhibits are here generally well to the fore.

The Grange, too, has in its time been one of the staunchest supporters of the Agricultural Fair which in many country districts was, and is still, one of the great events of the year. The Grange has set its face resolutely against some of the features which threatened to mar the Fair as a useful institution, and in particular against racing and its inevitable accompaniment, betting. To some extent also the Agricultural Fair has served its purpose and been superseded, and this, together with the fact that it had certain questionable features, probably explains why the Grange is now less enthusiastic in supporting it. This applies particularly to the big State Fairs where the tendency is for vulgar side-shows to become the real attraction. The Grange still promotes and in every way encourages the holding of small local or district agricultural exhibitions which are not open to the same objection.

§ 2. Educational work of the Grange.

The members of the Grange are pledged by the terms of the Declaration of Purposes to advance the cause of education by all just means within their power, and it is a matter of legitimate pride upon the part of the leaders that for nearly fifty years their Order has been prominent in supporting every movement which promised to contribute in any way and in any

degree to the advancement of education. And Grange members have taken a broad view of what constitutes education. They have done much to secure better teaching in rural schools as well as better school buildings; but in addition they have been largely instrumental in securing the development and extension of technical instruction (more particularly in agriculture), in organising courses of lectures, and in establishing local libraries and forming reading circles.

Much good educational work is carried on within the Order itself, as a part of the programme of the regular meetings. One of the most important officers in every Grange is the " Lecturer " whose duty, briefly summarised, is to arrange that something in the way of instruction — and if possible instruction combined with amusement — shall be arranged for each meeting of the members. The Lecturer has a free hand and therefore a wide choice. He usually succeeds in getting a competent person to give a short address on some subject, relating either to technical agriculture or, like " Rural Credit " for instance, intimately connected with agriculture as an industry. Usually the Lecturer himself is a good speaker and a man who keeps himself well-informed as to the progress of agriculture and well posted upon the questions of the day. It is a favourite device of his to organise a debate among the members, who thus acquire ideas and information from one another and, in addition, learn to express their thoughts with some fluency and point, — a matter of no small importance from the point of view of the education of the individual. The founders of the Grange were insistent in urging members to read, and in the early days large numbers of tracts and leaflets, handbooks, guides and manuals of parliamentary practice were distributed by the National Grange to the subordinate Granges. It will be remembered that the founders were men of considerable educational attainments and much native ability, who naturally saw clearly how much the farmers were handicapped by the meagre education which was then all they usually possessed. There is now much less need for the leaders of the National Grange to insist on the advantages of education. A fair education is much more easily obtainable, and much commoner now, than was the case fifty years ago; the farmers have access to a sufficiently large number of papers, periodicals and books; and the educational activities of the Order are now organised and directed rather by the State Granges, between which, in the matter of initiating schemes for the education and instruction of their members, there is a good deal of healthy rivalry. But the National Grange, nevertheless, continues to hold before the members of the Order the ideal of constant self-improvement. In the present year (1915) the central body has prepared and printed a handbook for the use of the Lecturers of subordinate Granges. The handbook discusses at considerable length the part which the Lecturer is intended to fill in the Grange organisation, and contains a great deal of material (in the way of lists of subjects for discussion, model programmes, lists of books, and suggestions for the formation of a library) intended to assist the Lecturers in carrying out their duties.

The most recent development of the educational work of the Order is of exceptional interest. In 1912, the Massachusetts State Grange set aside

a small fund to be known as the Educational Aid Fund and to be devoted to making loans to young members of the Grange for the purpose of enabling them to continue their education beyond the limits of the ordinary public schools. Loans were made to 14 students in 1912, to 25 in 1913, and to 34 in 1914, making a total of 73 young people helped, the majority of whom without such help would probably never have received anything in the nature of a liberal education. Only a nominal rate of interest is charged upon the loans, and the students helped (who must be well recommended to the trustees of the Fund by the officers of the subordinate Grange to which they belong) are not expected to begin repayment until they have completed their training and are in receipt of a salary. The kind of education which is being promoted by loans from the Educational Aid Fund is by no means all of the same type. Of the students assisted in 1914, eleven are attending Massachusetts Agricultural College, eight are in business colleges, eight are in normal colleges, four are in universities, and two are attending technical high schools. One, even, is attending a school of oratory. The example of Massachussets has already been followed by Connecticut, Missouri and California.

We have already mentioned that the Grange has consistently lent its support to schemes for providing better teaching and letter equipment for rural schools. In the early days the enthusiasm of the members even led them to establish schools of their own, and between 1870 and 1880 Grange schools existed in Alabama, North Carolina, Louisiana and other southern States, and in Michigan. It was during the seventies, too, that the Grange was particularly active in securing the establishment of State universities and agricultural colleges. In more than one state, — in California and Ohio, for example, — the Grange carried out investigations, proved that agricultural education was being unfairly neglected (in some cases funds voted for agricultural education being diverted to other purposes), and was instrumental in bringing about important reforms.

§ 3. Grange co-operative enterprises.

The original Grange Declaration of Purposes, written nearly fifty years ago, contained the following clause: "For our business interest we desire to bring producers and consumers, farmers and manufacturers into the most direct and friendly relations possible. Hence, we must dispense with a surplus of middlemen, not that we are unfriendly to them, but we do not need them. Their surplus and their exactions diminish our profits."

Very early in its history, the Grange tried to bring farmers and manufacturers into the most direct relations possible. Unfortunately the direct relations were not always as friendly as the Grange leaders had hoped. The State Granges appointed purchasing agents to deal directly with the manufacturers; but the agents were often untrained and occasionally dishonest, so that neither the Patrons nor the manufacturers derived the full benefit

of the scheme. Another device, employed very often by the Grange in its brief but glorious period of wide popularity, proved even less satisfactory. This was the practice of buying from manufacturers or wholesale dealers on the basis of confidential price-lists in which the quoted prices were appreciably lower than the current prices paid by the public. Inevitably this method of doing business led to endless friction, as the other buyers sooner or later became informed as to the existence of the special price-list.

But the Grange engaged also in much more elaborate forms of co-operative enterprise in the palmy days of its prosperity, and it will be remembered that the widespread failure of its co-operative schemes was the principal cause of the sudden decline of the Order after 1874. Apparently at that time disaster made a clean sweep of Grange co-operation and the co-operative enterprises of the Order which exist at the present day are practically all of much more recent origin. One writer (1) states that in 1911 there was still in existence a wholesale firm — the Patrons' Co-operative Corporation of Portland, Maine, — which was founded in 1877, and a small Grange store in North Jay, dating from the 70's. It is quite possible that there may be other interesting survivals of early Grange co-operation, but it is doubtful whether co-operative management has been continuous even in these few cases.

It is difficult matter to establish with any precision when the Grange again took up co-operation as an important part of its programme and began actively to initiate co-operative schemes relating for the most part to the purchase and distribution of farm supplies. The Grange itself has apparently never attempted to take a census of the co-operative enterprises promoted by its own members, and such information relating to them as is obtainable is of the vaguest kind. The explanation is probably to be found in the fact that many of the existing enterprises, while really Grange schemes, are not officially connected with the Order: they are managed by members for the benefit of members, but no Grange organisation has any responsibility in connection with them. This is the lesson which the Grangers have learnt from the history of Grange co-operation between 1870 and 1880.

Some information as to present day co-operation within the Grange is contained in Ford's *Co-operation in New England* and may here be briefly summarised. In 1908, the so-called " trade discount system, " under which Grange members were granted special discounts on their purchases, was in use in Rhode Island. In that year the Grange leaders had made arrangements with seventeen retail dealers in the State and the Grange members by confining their purchases to these firms were able to save from 5 to 10 per cent. on implements, hardware, paints, oils, boots and shoes and other farm and household supplies.

The same purchasing system was in use in Connecticut for many years, but it proved unsatisfactory and was abandoned about 1904. The system is used in a modified form by some of the Massachusetts Granges. In the

(1) FORD, J.: Co-operation in New England. (New York, 1913) at pp. 5 and 103.

Granges in question the members deal with certain selected firms, but pay current prices and take a receipt for each payment. These receipts are handed to an agent of the Grange and twice a year the agent presents them to the respective firms and receives a certain rebate agreed upon beforehand. It is the duty of the agent to prevent any abuse of the system upon the part either of the Patrons or of the dealers.

There is really very little which can be described as co-operation in any system of discounts or rebates from ordinary dealers to members of the Grange. In return for a monopoly in supplying a certain clientele the dealer makes some reduction in prices, but the buyers have no interest in and no control of any kind over the business which supplies them.

Grange efforts, however, do not stop at the discount system. Genuine co-operative purchasing associations are fairly common in New England Granges, — especially in Vermont, New Hampshire and Maine, where industrial centres are remote. One such association in Rhode Island, organised by the Middleton Grange and selling fertilisers to non-members as well as members, does a very successful business and is able to effect a saving to members of $ 5 a ton. In a year of good trade the association buys and distributes 400 tons of fertiliser. Another branch of co-operative enterprise fairly well represented in New England is the co-operative distributive store. The largest Grange store is that of Houlton, Maine, which was founded in 1893, and in 1910 had a membership of 1,018. This store in the year 1909-10 did a total business of $ 166,857. In 1911, there were at least nine other Grange co-operative stores in Maine. The success of some of the local co-operative associations led the Massachusetts State Grange to embark upon a larger scheme. In October, 1908, the State Grange began in a tentative way to act as the central supply agency of the local Grange. The first order placed was for 465 barrels of flour which were supplied to 47 local Granges at a saving of just over $ 1.00 per barrel. The second order was for 546 tons of grain, and the third for 30 tons of fertilizer. The total saving to Grange members on these three transactions was $ 2,200, and this initial success induced the Massachusetts Patrons at the annual meeting of their State Grange to form the "Patrons' Co-operative Association" with an authorised capital of $25,000 in five-dollar shares. The Association was founded by Grange members for Grange members but it had no legal connection with the Order, which, therefore, incurred no financial liability in connection with the scheme. For a time the Association seemed to be remarkably successful, and Connecticut, Vermont, Maine and New Hampshire followed the example of Massachusetts and formed State associations for co-operative purchase. Yet in 1911 the Massachusetts Association was dissolved, the Patrons after failing properly to support it becoming dissatisfied with the service it provided. History seems to have repeated itself quite unnecessarily on this occasion, for the reasons adduced for the failure of the scheme are all very familiar. The promised capital was not paid in full ($4,000 was subscribed out of $25,000 and it was found impossible later to get the shareholders to subscribe more), the first choice of manager was unfortunate, and there were irritating delays in filling certain orders. On the dissolution of the Associ-

ation the trade which it had been doing was distributed among the purchasing associations of neighbouring State Granges.

One branch of co-operation, — and the one which, perhaps, has been most successfully developed by the Grange, — has still to be mentioned, namely, co-operative fire insurance. Farmers' co-operative (or mutual) fire insurance associations are numerous in the states of the Mississippi Valley and the Middle West, and the opportunity of obtaining fire insurance at a low cost is in some states one of the strongest attractions which the Grange has to offer. Grange fire insurance has been very successful in Kansas where the Patrons' Fire and Tornado Association does business throughout the whole of the State. The Association was founded in 1889 and so far has proved continuously and increasingly successful. In 1907, the risks covered amounted to $ 6,000,000. Five years later, in 1912, the amount had increased to $ 16,000,000. During the year 1911, the association paid 180 claims amounting in all to $ 30,000. In 1912, business always increasing, the Association built for itself new office buildings in the town of Olathe.

In the same town are situated the offices of the Patrons' Bank of Kansas founded as far back as 1883 with an authorised capital of $ 75,000 of which $ 37,500 was paid up. A later banking law in Kansas required that the capital should be paid up in full, and the Bank was reorganised with a capital of $ 50,000. As originally constituted, it was strictly co-operative, but the requirements of the new banking law made it necessary to eliminate some of the co-operative features. Even so, however, voting is still democratic, each shareholder having one vote only upon any question. No shareholder may hold more than ten shares, and only Grange members may be shareholders. The Bank, however does not limit itself to doing business with Grange members but does an ordinary banking business with the general public, and of the Bank's depositors only about 50 per cent. are members of the Grange.

The Patrons' Bank of Kansas seems to be the only one of its kind, and the Patrons themselves do not claim that it is, in the strict sense of the term, a co-operative credit institution; but it is at least a striking example of what can be accomplished by organised effort, and it is our object here to show how largely the Grange contributes to the effective organisation of American farmers.

§ 4. The extension of the order.

It has been noted in our first chapter how the year 1874 marks the culminating point in the progress of the Grange in numbers and in prosperity. At the end of that year there were well over twenty-one thousand Granges in the United States and the number of members was not less than 750,000. By 1880, the number of Granges had fallen to about four thousand and the membership was probably not more than 150,000. These

who remained faithful to the Order, however, were men and women of the right stamp, who believed firmly in the Grange ideals of mutual help, mutual instruction and organised effort for the betterment of rural life. The Grange after 1880 took up, one by one, its real tasks, and slowly but steadily it won its way back into public notice and esteem. The number of members increased slowly, but the increase was sound. For many years it was rather that the members sought the Grange than that the Grange sought the members. There has been, naturally, ebb and flow in its fortunes; it has at times attracted a good deal of public attention by its support of certain measures, or by its opposition to others, while at times it has remained for considerable periods in comparative obscurity. Again, the personal element has much to do with the activity of the Order, and the question whether the Grange shall languish or shall progress in a particular State depends very largely upon the character and organising ability of the State Master who happens to be in office. For many years after 1880 the National Grange made no special effort to extend the Order, although the higher officers showed themselves as a rule active in stimulating interest in Grange affairs among the members themselves. It was not, indeed, until 1910 that the National Grange, considering the moment opportune, decided to adopt a more active policy with regard to propaganda. At the annual sessions of the National Grange, held in that year at Atlantic City, New Jersey, it was decided to devote, out of the general funds, amounts not exceeding in any single case $2,000, for the purpose of extending the Order in each State entitled to representation in the annual session, and a sum not exceeding $5,000 for the purpose of extending the Order in States not entitled to representation, provided, however, that the total expenditure should not be so great as to reduce the permanent investment of the National Grange below $100,000. The same provision for extension work was made at succeeding sessions of the National Grange and the amounts expended in the four years 1911 to 1914 were $16,900, $17,000, $14,500 and $12,000, respectively. In 1913 and 1914 the amount spent on extension work had to be curtailed in order that the general fund of the Order might not be reduced below the established limit of $100,000. The special effort made to extend the Order met with considerable success, and between 1911 and 1914 many new Granges were organised. Between October 1st, 1913, and September 30th, 1914, the number of Granges organised was 490, the highest number organised in any one year since 1874. In the same year (1913-14) the annual dues, upon the basis of membership, paid into the National Grange by the various States, amounted to $25,764. It has already been mentioned that these dues amounted, in 1875, to more than forty-three thousand dollars, and had fallen, in 1880, to just over six thousand. Unfortunately no comparison as to number of members can be drawn from these figures, as the annual dues appear to have been levied at different rates at various times.

It is difficult to obtain anything like complete and accurate statistics of Grange membership. In *Co-operation in New England*, the number of members in the New England States in 1911 is given as follows: Maine

60,000, New Hampshire 30,000, Vermont 20,000, Massachusetts 27,000, Connecticut 12,000, Rhode Island 2,500. From the *Journal of Proceedings of the Forty-sixth Annual Session of the National Grange* (Spokane, Washington, 1912) we learn the membership of the Grange in four of the States in 1912: Iowa 3,722, Kansas 10,229, Ohio 42,179, Oregon 10,700. In the *National Grange Monthly* of August, 1914, it is stated that, in 1914, New York had a membership of 110,000: Philadelphia of 70,000 and Michigan of 50,000. According to the same authority the total membership of the Order in 1914 was "something approaching a million and a half," an estimate which (we may take it) errs rather on the side of generosity. Whatever the real figures as to membership may be, — and they are probably considerably lower than the million and a half of the *National Grange Monthly*, — the fact remains that the Grange is still the largest purely agricultural organisation in the United States, if not, indeed, in any country in the world.

JAPAN.

TWO GREAT AGRICULTURAL SOCIETIES.

By TAKEO ONO *of the Imperial Agricultural Association of Japan.*

There are two great agricultural organisations in Japan, one — the Agricultural Society of Japan (*Dai-Nippon Nokai*) — a private society, the other — the Imperial Agricultural Association (*Teikoku Nokai*) — a public institution.

The former is organized by over ten thousand members who are interested in agriculture, while the latter is established under the Law on Agricultural Societies and is composed of 46 prefectural agricultural societies. It must be remembered in this connection that each prefectural agricultural society is composed of district agricultural societies, that each district agricultural societies is composed of town and village agricultural societies, and that each town and village agricultural society is organized by local farmers. Thus there are four grades in the public agricultural institute of Japan.

I shall give a brief historical sketch of the development, organization and working of both organizations.

§ 1. THE AGRICULTURAL SOCIETY OF JAPAN.

(*Dai-Nippon Nokai*).

The Agricultural Society of Japan came into existence in 1881, but the project for organizing it had been under contemplation for years before. The late Marquis Okubo, then Minister of Home Affairs, took a deep interest in agriculture. On the occasion of his visit to Europe and America he made many useful investigations into productive industries, especially into western agriculture. Soon after his return from abroad, he established the Mita Seed Farm, and later managed to open several markets for agricultural produce with a view to supplying good seed and facilitating dealings in agricultural produce. The Marquis, not satisfied with these few institutions intended to establish a large agricultural society. His plan, however, was nipped in the bud owing to his untimely death in 1878. But his friends and followers endeavoured to realize his cherished desire. As

a result, they established in the spring of next year the Tokyo Farmers' Society and called monthly meetings to discuss the development of agriculture.

Availing of the occasion of the Second National Exposition which was held in Tokyo in 1881, the Government summoned several hundred leading farmers from every part of the country. These farmers, assembled in Tokyo in response to the invitation of the Government, held their meeting at the Honganji Temple at Asakusa and unanimously passed a resolution that the Tokyo Farmers' Society should be amalgamated to the *Toyo-Nokai* (Oriental Agricultural Society) a farmers' society having its office in the Shimoosa Imperial Pasture, and that the Agricultural Society of Japan (*Dai-Nippon Nokai*) should be the name of the newly created society. The large private agricultural society came into existence for the first time in this way. In the following year the Imperial Household Department granted a sum of one thousand *yen* toward the funds if the society. The Department of Agriculture and Commerce, on the other hand, made occasional subsidies in order to assist the various works planned by the society.

The most important work conducted by the Society must be said to be the Tokyo Agricultural University. This institution was established in 1897 under the name of Tokyo Agricultural School, and subsequently, in 1911, it was converted into a University. More than one thousand graduates have been turned out from the university, while about seven hundred students are now studying there.

Under the Imperial encouragement given in the form of money grants and the Government subsidies, the Agricultural Society of Japan, ever since its establishment, has been making a great contribution to the development of agriculture.

The Society at present is acting under the patronage of H. H. Prince Fushimi as its Honorary President and Marquis Y. Matsudaira as its President, with Viscount Y. Mishima and Dr. Y. Yokoi as its Vice-Presidents. The Technical Committee consists exclusively of men well versed in agricultural science.

The members of the Society are classified into (1) Honorary, (2) Special, (3) Ordinary, (4) Subscribing (*Sansei Kwaiin*).

To describe the membership more definitely:

Honorary Advisors are chosen by the Standing Board of Trustees from among those who are well qualified and have rendered special services to the Society.

Honorary Members are nominated by the Honorary President from among those who have special qualifications or who have rendered services to agriculture or else to the Society.

Special Members are those who have the right of voting and who pay an annual fee of *yen* 2.40.

Ordinary Members are those who pay a fee of *Yen* 1.80 a year, while Subscribing Members, are those who, once for all, contribute *yen* 3.00 oro ver.

Neither Ordinary nor Subscribing members have the right of voting.

Besides the management of the Tokyo Agricultural University, which I have mentioned above, the Society is carrying out the following programme:

(1) Publishing the monthly *Report of the Agricultural Society of Japan.*

(2) Circulating pamphlets on agriculture;

(3) Making researches on rural economy and answering to the questions put by the members;

(4) Holding meetings for the purpose of discussing agricultural education;

(5) Delivering lectures for military men;

(6) Collecting miscellaneous information with regard to agriculture through correspondents appointed by the Society;

(7) Giving the Society's medals, to those who have rendered meritorious services to the development of agriculture;

(8) Organising itinerant lectureships.;

(9) Organising travelling exhibitions;

(10) Holding an annual exhibition of farm products in Tokyo;

(11) Supplying good seeds and young plants to farmers;

(12) Showing useful books and agricultural specimens in the office of the Society;

(13) Analysing soil and fertilizers in compliance with the application presented by the members of the Society;

(14) Criticising new methods in agriculture;

(15) Examining newly invented agricultural implements and machines.

§ 2. The Imperial Agricultural Association of Japan.

(*Teikoku Nokai*).

The Imperial Agricultural Association of Japan was established in 1910 under the Law on Agricultural Societies. Prior to the establishment of this association, there was an agricultural society called *Zenkoku Noji-Kai* (Agricultural Society of the Japanese Empire), which had been carrying out various works in the common interest of farmers. But this society being entirely private, and no control being placed upon it by law, could devote itself to the work more freely than is now possible. The principal undertaking of the society was engaging in political movements in the interest of agriculturists and publishing a monthly journal. One who rendered distinguished services in connection with the establishment and development of the society was Mr. Maeda, now member of the House of Peers. We have another nobleman who has rendered great service to this society and later for the Imperial Agricultural Association of Japan, in the person of Viscount H. Kano, formerly Lord of Ishinomiya, clan of Kadzusa Province. The Imperial Agricultural Association of Japan owes its present prosperity and solidity to these two public spirited men. About 20 years ago Mr. Maeda made

lecturing tours throughout the country encouraging and persuading farmers to combine and establish a great agricultural society. From that time onward Japanese farmers have gradually become interested and have begun to realise their own importance to the nation. In 1884, the Central Agricultural Society was established at the instances of Mr. Maeda, and started various works. For a few years after the establishment of this society, all the works now conducted by the Sericultural Association of Japan and the Central Organisation of Co-operative Societies, were under the management of that society. The Central Agricultural Society held, as a rule, a mass meeting every year in Tokyo and called representatives from each prefectural district and submitted various questions to discussion. Besides this annual meeting, the society held local farmers' meetings in various parts of the country and discussed miscellaneous questions. It is not too much to say that those agrarian movements were practically under leadership of Mr. Maeda.

The Law on Agricultural Societies was promulgated in 1880, and prefectural district and town and village agricultural societies were established according to this law. But there was not yet any regulation in this law providing for a central organ. Therefore, the Central Agricultural Society, though it was not a public institution, had been making the part of a central organ with the support of the prefectural agricultural societies.

In 1910, however, the Government revised the Law on Agricultural Societies creating the *Teikoku Nokai* (Imperial Agricultural Association) in the first section of the law, and having duly obtained the approval of the Imperial Diet, the public central agricultural association came into being that year. Upon the establishment of the *Teikoku Nokai*, the *Zenkoku Nojikai* was dissolved after many years services for the welfare of the Japanese farmers.

I have already mentioned at the beginning of this article that the Imperial Agricultural Association is composed of 46 perfectural agricultural societies. The chief functions of the Association as laid down in its statute are:

(1) To answer any questions put by the Government;

(2) To bring forward representations to the Government for the benefit of agriculturists;

(3) To make researches into matters concerning rural economy and agricultural politics;

(4) To publish monthly the *Bulletin of the Imperial Agricultural Association*.

The official Board of the Association consists of a President, Vice-President, fifteen Councillors and two Secretaries. The present President is Marquis Y. Matsudaira and the Vice-President is Dr. K. Kuwada, member of the House of Peers. The members of the Association are classified into two kinds, ordinary members and special members. Ordinary representatives are to be elected every three years from each prefectural district, while special representatives are to be appointed every three years by the Minister of Agriculture and Commerce. Besides these, the Association

can recommend honorary members and advisers from those who are well versed in agricultural economy and politics. The present honorary members are Marquis Y. Matsudaira, Viscount Oura, Minister of Home Affairs, Viscount H. Kano, ex president of the Association, and Mr. Maeda, member of the House of Peers. The present advisers are Mr. C. Shimooka, Vice Minister of Home Affairs and Mr. T. Tokonami, ex-president of the Imperial Railway Board.

The annual income of the Association consists of the Government grants and of the levy imposed upon prefectural agricultural societies. The budget of the Association is submitted to the discussion of the annual conference. The annual conference takes up for discussion not only the question of budget, but also bills proposed either by the representatives or by the official board of the Association.

One of the most important resolutions passed at the last session of the annual conference, held for three days beginning on the 7th October, 1914, was addressed to Government expressing the desire of the association for an adjustment of the price of rice with a view to relieving the farmers. This resolution aroused criticism everywhere in political circles and became one of the burning questions in the Imperial Diet. Some members of the House of Representatives put questions regarding the regulation of the price of rice in the Lower House, while some others brought forward representations on the same question, without regard to the party to which they belonged. Listening to these questions and representations, the Government at last issued an Imperial Ordinance authorizing the purchase and sale of rice on Government account with the object of regulating the price. This measure proved very effective and the price rose three *yen* per *koku* in a short period of time. The farmers who had long been suffering from the low price of rice, were relieved by this measure from further difficulty. Thus the farmers' desire for regulating the price of rice, which is the staple food of the Japanese, was realised, to the great relief not only of them but also of merchants and manufacturers throughout the country.

RUSSIA.

PROGRESS OF CO-OPERATION IN FINLAND BETWEEN 1909 AND 1915 AND THE PRESENT SITUATION.

(Continued).

§ 5. Co-operative societies for production and sale.

In the statistical returns of the "Pellervo" the following eight categories of Finnish co-operative societies were considered as coming under this head: (1) co-operative dairies, or rather butter making societies, (2) co-operative societies for the sale of milk, (3) co-operative societies for sale of livestock and meat, (4) co-operative societies for poultry improvement and the sale of eggs, (5) co-operative societies for the sale of grain and co-operative mills, (6) co-operative societies for cutting wood in forests and co-operative saw-mills, (7) co-operative societies for fishing and the sale of fish, (8) miscellaneous co-operative societies for production and sale.

(a) *Co-operative Dairies, or rather Butter Making Societies.*

As we have seen, in the Finnish statistical returns a sharp distinction is made between "co-operative dairies" and co-operative societies for the sale of milk." The reason for this distinction is the great importance the production of butter for export, especially to the English market, has assumed, now exceeding 13,000,000 kg. per ann., and representing a value of more than 40,000,000 marks. Owing to the progress made by this industry most of the co-operative dairies concentrate their attention on the production of butter for exportation, to the exclusion of everything else. Only a few, in the neighbourhood of large towns, engage in the local sale of dairy produce, and that most frequently as an auxiliary industry. Hence it is necessary to distinguish between "butter factories", for production for the foreign market, and associations for local supply.

In consequence of the comparatively small population scattered over the whole area of the country, Finnish co-operative "butter factories" have

very few members and only a small stock of cattle. Forty per cent have less than sixty members, and only 20 % have more than 1,000 cows. The general average is 105.4 members with 689.2 cows per association, whilst in Denmark, for example, the figures corresponding are 156 members and 956 cows.

In the Finnish co-operative butter making societies, the foundation of which is generally facilitated by the State, which grants them loans on favourable terms up to the amount of 50 % of the expense of their first establishment, the value of the shares is on an average 20 marks. The supplementary personal liability of each member varies from 50 to 100 mks. per share, but in many societies there is absolutely no limit.

The general progress and present situation of these associations is seen in the following table :

TABLE VIII. — *Development of Co-operative Butter Making Societies in Finland, between* 1902 *and* 1913.

Years	Number of Societies Registered	Societies Furnishing Statistics	Situation of the Societies that have Furnished Statistics							Societies Furnishing Statistics	Funds of the Societies			
			Members (Thousands)	Number of Cows		Yield of Milk (Thousands of kgs.)	Butter Sold		Amount of Sales (Thousands of Mks.)		Value of Dairies in Thousands of Mks.	Capital		
				Thousands	Percentage of Cows in the whole Country		Thousands of kgs.	Percentage of Entire Export from Finland				Payments Made	Thousands of Mks.	Percentage of Total Debts
1902	28	28	2.4	16.4	1.5	—	—	—	—	—	—	—	—	—
1903	75	75	5.5	43.9	4.1	37,591	1,529	14.8	3.5	29	375	—	98	23.7
1904	145	145	11.8	87.0	8.1	75,018	3,064	25.1	7.6	97	1,490	90	366	21.9
1905	225	225	21.2	136.0	12.7	157,754	6,310	34.6	15.5	139	2,215	209	729	23.2
1906	292	287	29.0	203.5	19.3	214,779	8,698	57.8	22.2	151	4,219	300	1,102	24.5
1907	331	319	31.3	216.6	19.7	222,479	9,081	71.4	22.6	222	6,022	422	1,914	26.9
1908	342	332	33.9	242.7	21.7	265,394	10,656	86.7	28.6	219	7,122	572	2,672	31.7
1909	355	331	35.7	246.6	22.5	258,440	10,626	91.4	27.9	265	7,469	641	3,320	36.2
1910	363	328	34.8	242.6	21.3	267,000	10,854	97.8	29.2	278	7,135	785	3,915	43.9
1911	371	335	35.8	244.6	21.3	287,398	11,643	94.3	32.8	301	7,415	951	4,750	50.9
1912	389	349	37.0	259.0	21.6	293,300	12,000	99.9	35.0	296	6,815	1,033	5,293	60.7
1913	418	370	39.0	255.0	21.7	325,000	13,300	105.2	37.0	303	6,550	993	5,571	59.6

The Finnish co-operative butter making societies generally engage also in various secondary industries. Thus we know that many of them undertake the collective purchase of agricultural machinery and produce for their members. We have just seen that others, in the neighbourhood of large towns, engage in retail sale of milk and cream. Others again have installed mills and saw-mills. Finally poultry improvement and even more, pig improvement is becoming more and more general among them.

Most of them sell their produce through the medium of the "Valio, Central Co-operative Society for the Export of Butter," which we shall consider later. The butter factories of the country have united in *Provincial Federations* and it has been decided that their delegates shall meet annually from 1914 in a *National Congress*.

(b) *Co-operative Societies for the Sale of Milk.*

As we have just mentioned, the societies of this character are chiefly to be found in the neighbourhood of the larger cities of the country, Helsingfors, Åbo, Viborg, Tammerfors, Vasa etc., and along the Russian frontier, for the supply of Petrograd. They vary considerably in their organisation and many of them do not register in the commercial register.

Owing to this and the fact that it is only too often that their work is not to be distinguised from that of the butter factories for local sale and of the co-operative distributive societies, it is at present impossible to estimate their importance with any accuracy.

(c) *Co-operative Societies for the Sale of Livestock and Meat.*

The first Finnish society of this kind was founded in 1909. It extends its action throughout the archipelago of the Aland islands, halfway between Finland and Sweden, with the object of selling its members' cattle and the meat obtained from them at Stockholm. Although founded with very little capital, its business was so profitable, that at the end of the first year, a second co-operative society of the same character was founded at Kuopio to supply the Petrograd market. In this case also the results were excellent and a third society was formed at Tammerfors in 1912, with a view to the supply of that town and the capital, Helsingfors. In 1913 a fourth was founded in the Southwest of Finland for exportation to Sweden and Germany. Finally in 1914, after the "Pellervo", in view of the success of the first attempts, had decided to support and encourage this new class of association, 4 new societies of this character arose, bringing the total number of those now existing up to eight.

The great European war having meanwhile broken out, these eight societies formed a "Union" among themselves and so were able to make profitable contracts with the Russian administration for the supply of meat to the army.

No statistics have yet been published of the work of this class of society.

(d) *Co-operative Societies for Poultry Improvement and the Sale of Eggs.*

A few years ago scientific poultry improvement was so to say unknown in Finland, and eggs (above all from Russia) were imported to the amount of about 2,000,000 marks a year. In several directions efforts were made to improve the situation, but it is only since the "Valio," the Central Co-operative Society for the Export of Butter, engaged a special expert for the business that any results, however unsatisfactory, could be obtained.

At present 33 co-operative societies for the sale of eggs are registered in the commercial register, but besides the associations officially constituted, there are even more that, although they have not thought necessary to obtain official authorisation, none the less do a fairly active business, All the associations of this class are still comparatively of very little importance in regard to the amount of their business. The majority hardly sell 20,000 eggs a year. Some, however, in 1914, sold 50,000, 100,000 and even 150,000.

In this case also, owing above all to the very recent introduction of this class of co-operative business in Finland, there are no statistics available.

(e) *Co-operative Societies for the Sale of Wheat and Co-operative Mills.*

For several years many co-operative credit societies have been engaged in the co-operative sale of wheat, as simple intermediaries between the producers, that is to say their members, on the one hand and the purchasers on the other. Special loans have even been granted by the Central Credit Institute of the Finland Rural Co-operative Societies with the object of encouraging and developing this kind of business. Some co-operative dairies have followed the example of the credit societies and the number of co-operative distributive societies engaged in the sale of wheat has been for some time increasing from day to day. As unhappily the spirit of speculation is tending more and more to exclude true co-operation from this business, the "Pellervo" is now attempting to promote the foundation of absolutely independent co-operative societies, exclusively for the sale of wheat. Some have already been founded, but it is too early to pronounce an opinion in regard to the results obtained.

In regard to co-operative mills, 64 are registered in the commercial register, 36 being established as auxiliary industries by an equal number of butter factories; 18 are associated with co-operative saw mills and, finally, 10 have been founded as entirely independent co-operative societies. Association under various forms for grinding corn being traditional in Finland for centuries, there is no doubt that these 64 officially recognised mills are but a minority of those that actually exist.

Let us add that the results given by the 10 officially recognised co-operative mills have been very little satisfactory and the "Pellervo" is now studying how to reorganize this kind of co-operative business.

(f) *Co-operative Saw Mills.*

This kind of association only began to develop in Finland after the institution in 1913, by the "Pellervo," of a special office, under the direction of an expert, to give the farmers useful advice for the proper cutting of their wood. At present, according to the official registers there are 38 co-operative saw mills in the country, 18 associated with the same number of co-operative flour mills, 11 with as many co-operative butter factories and, finally, 9, which are independent associations. No statistics have as yet been published of the work of these 38 saw mills. The results of their working that are known are, however, very encouraging.

(g) *Co-operative Societies for Fishing and the Sale of Fish.*

The societies founded by professional fishermen or by farmers on the sea coast or on the shores of the rivers and lakes, all abounding in fish, with a view to its sale, are now very numerous. Unfortunately most of them have not considered it necessary to obtain legal recognition and only one, the "Fishermen's Co-operative Society of the Archipelago of Helsingfors", founded in 1907, has furnished regular statistical information in regard to its work. Violently opposed at its start by the merchants, this association all the same triumphed over its competitors and attained the most satisfactory results. As far as can be judged from the fragmentary information collected in regard to other co-operative societies of the same class, their development proceeds on absolutely similar lines. The statistics we give below of the work of the Helsingfors society may therefore give an approximate idea of the economic and social importance of this class of association.

TABLE IX. — *Work of the Co-operative Society of the Fishermen of the Helsingfors Archipelago.*

Year	Number of Members	Annual Sales (in Marks)	Profit (+) or Loss (—) (in Marks)
1907	91	—	— 1,149
1908	134	73,421	— 5,706
1909	150	71,236	— 2,251
1910	154	115,849	+ 600
1911	157	156,488	— 5,214
1912	161	197,639	— 5,692
1913	165	244,607	+ 9,861
1914	160	255,548	+ 1,554

(h) *Various Non-Agricultural Co-operative Societies for Production and Sale.*

Apart from the kinds of association we have just considered, no other kind of *Agricultural* Co-operation for production and sale has yet been tried in Finland. But outside the field of agriculture very many co-operative societies for production and sale have been founded, above all among workmen engaged in industry and transport. The commercial register reports 45, of which 17 were founded by dock labourers, 6 by stone quarrymen, 4 by ships' painters, 4 by workers in metal, 3 by joiners, 2 by locksmiths, 2 by saddlers, 1 by workers in felt.

Unfortunately, the results obtained by these associations have been generally very unsatisfactory. Either the societies belonging to this group have been unsuccessful in business, after which they have dissolved, or their business has succeeded and in that case most of them have gradually been transformed into ordinary profit seeking undertakings. The cause of the unsuccess of non-agricultural co-operative production and sale is almost always either the want of competent officials, or dissensions among the members who are not sufficiently instructed in the general principles of co-operation. The absence is felt also of any organisation like that of the " Pellervo " for the agricultural societies.

Since the rules of the " Pellervo " absolutely forbid it to extend its action beyond the field of strictly agricultural co-operation, it is to be hoped that one day or another a similar institution will be founded for the benefit of non-agricultural Finnish co-operation.

§ 6. Co-operative credit.

The considerable difference we have observed between the progress made by *agricultural* and non-agricultural co-operation in regard to production and sale we shall find again and even in a more marked degree when we turn our attention to co-operative credit.

In regard to *agricultural* co-operative credit, quite recently, in the number of this bulletin for February of this year, we published a study on the subject too complete for it to be necessary for us to deal with it again in detail now. We shall therefore only give a general table showing the development of this kind of co-operation from the start up to the present day, and its situation at present, which will serve on the one hand, to complete the earlier information published in our article of February, and, on the other, as a means of comparing the progress made by *agricultural* and *non-agricultural* co-operative credit in Finland.

TABLE X. — *Progress made by the Agricultural Credit Banks in Finland from* 1903 *to* 1914.

Year	Number of Banks		Total Number of Members	Net Amount of Total Assets of Members in Marks	Capital of the Agricultural Banks		Loans granted by the Agricultural Banks on December 31st.		General Turnover of the Banks
	Registered in the Commercial Register	In Relations with the Central Credit Institute			Total in Marks	Percentage of Total Debt	Total in Marks	Average per Member in Marks	
1903	24	10	253	1,918,000	2,000	3.5	45,000	176	200,000
1904	87	69	1,724	11,861,000	17,000	5.8	273,000	158	800,000
1905	140	119	3,662	18,704,000	49,000	7.0	648,000	177	1,500,000
1906	176	148	4,930	23,885,000	84,000	8.1	968,000	196	1,900,000
1907	240	210	8,231	35,942,000	142,000	7.9	1,786,000	217	3,700,000
1908	308	268	11,745	52,780,000	242,000	7,6	3,010,000	256	5,300,000
1909	385	340	15,688	71,240,000	369,000	8.9	3,864,000	246	6,200,000
1910	418	374	17,404	83,791,000	491,000	10.9	4,197,000	241	6,800,000
1911	445	398	18,546	95,442,000	610,000	13.1	4,363,000	235	7,300,000
1912	453	399	19,390	110,666,000	713,000	14.2	4,695,000	242	8,000,000
1913	478	416	19,892	128,923,000	824,000	14.2	5,419,000	272	8,900,000

In comparison with this remarkable and continual progress, the development of *non-agricultural* co-operation in Finland is incontestably very unimportant.

In fact it is only represented in the country by *two* associations of Schultze-Delitzsch type, one founded at Kurikka in 1903 and the other at S. Michael two years later. The former with difficulty continues to exist; the latter has 46 members and a share capital of 5,900 mks. and has granted loans for a total amount of 40,000 marks.

If to these two banks we add that founded in 1902 by the total abstinence students of the University (55 members, 10,000 marks capital and 45,000 mks, advanced as loans), that of the railwaymen, founded in 1908 (260 members, 15,000 marks capital and loans to the amount of 22,000 marks), that of the employees of the Co-operative Distributive Societies' Federation, founded in 1913, and finally that, quite recently founded (1914), of various classes of small employees, clerks and small manufacturers at Helsingfors, we have the complete list of the *non-agricultural* co-operative credit societies of Finland.

If it were necessary to show all the importance of the work accomplished by the "Pellervo" and the need there is of founding a similar institution to assist non-agricultural co-operation in Finland, what better argument could be desired than this striking comparison?

§ 7. Miscellaneous co-operative societies.

Under this head, the Finnish statistical returns at present include: (1) Co-operative societies for collective purchase and use of machine threshers, (2) Co-operative societies for working peat moss bogs, (3) Co-operative societies for the installation of telephonic communication and (4) Co-operative societies for the purchase of homesteads and building dwelling houses.

(a) *Co-operative Societies for Purchase and Use of Machine Threshers.*

As indicated in their title, these associations were originally founded for the collective purchase and use of machine threshers and the necessary locomotive engines. The number of members hardly exceeds 20. The subscriptions vary from 2 to 5 mks. per hl. of seeds and the personal liability of members varies from ten to thirty marks. The thresher is generally paid for in five or six years and then the societies use their money for the purchase of other agricultural machines and engines. At the present date they almost all have the most perfect equipment and the official title of co-operative societies for purchase and use of machine threshers should be substituted by that of co-operative societies for purchase and use of agricultural machinery in general.

The associations of this class in Finland are very many. It is true that only 235 are registered in the commercial register, but that is only a small proportion of those actually existing. The statistical tables of the "Pellervo" show *hundreds* that have never been officially registered.

Taken all together, these societies are very prosperous.

(b) *Co-operative Societies for Working Peat Moss Bogs.*

The employment of peat moss litter in stables and cattle stalls is of the greatest importance for the progress of agriculture as it is the best means of preserving dung. As Finland is very rich in peat moss bogs, it is natural that their exploitation for the benefit of agriculture has developed very considerably. The co-operative societies have had a great share in this development. They buy a bog or rent it with right to dig the peat, and build the sheds required for drying it, obtain the equipment indispensable and then sell the peat to their members.

Some of them are very large associations, with plant of the value of 50,000 mks. or 100,000 mks. and export the peat. Experience having, however, shown that a large number of small businesses scattered over the country could provide it with peat cheaper than a single large one (on account of the high cost of transport), the "Pellervo" is now endeavouring above all to encourage the constitution of small local co-operative societies.

At the beginning of the present year there were 127 societies for working peat moss bogs registered in the commercial register. As a matter of fact, the real number of these associations is considerably higher.

(c) *Co-operative Societies for the Installation of Telephones.*

In a country with so scattered a population as Finland, the possibility of communication by telephone has an importance for the farmers that their fellows in Central Europe cannot even imagine. In winter, above all, when snow encumbers the few country roads, it is only by means of the telephone the Finnish farmers can give their orders, learn the current prices, call the doctor or the veterinary surgeon, ask help in case of fire etc. Under these circumstances it will be understood that Finland is one of the countries where telephones are most largely used. Where they have not yet been installed by the large companies, the farmers have formed special co-operative societies, for the purchase of the plant, the fixing of the wires and their connection with the nearest central stations of the great inter-urban system.

Although this class of association is quite a new thing, there are already no less than 58 co-operative societies for the purpose officially recognised and their numbers increase from day to day. The economic results given by these societies have everywhere been most satisfactory.

(d) *Co-operative Societies for the Constitution of Homesteads and for Building Houses.*

In spite of the classification adopted in the Finnish statistical returns we have here two quite different sorts of association, one, strictly rural, aiming at the constitution of small agricultural holdings for its members, the other, almost exclusively urban, engaged in the building of workmen's houses. Both also are as yet of quite recent introduction into Finland.

The co-operative societies for the constitution of homesteads endeavour to buy large estates cheap and divide and distribute them among their members. The commercial register reports 56 of these societies at the present date, but many of them have not yet been able to realise their object owing to lack of capital. On January 1st. of the present year, thirteen of them, which had succeeded in obtaining Government loans to the amount of 700,000 marks, had bought altogether 6,000 ha., and distributed them amongst 267 members as homesteads.

At the same date there were 43 co-operative house building societies. Several of them have a very solid position, with share capital of between 500 mks. and 3,500 mks. and the personal liability of members generally limited to the amount of their shares. Some of these associations have erected dwelling houses of a value of from 100,000 mks. to 500,000 mks., containing from 60 to 150 living rooms. This has been rendered possible by loans obtained either from the Finnish Urban Mortgage Bank or the large insurance companies.

Unhappily these are only isolated and exceptional cases. The co-operative building societies with shares of smaller amount seem to have had great difficulty in collecting the sums they require for realising their objects and, without a powerful central organisation on the model of the "Pellervo", it is to be feared their further progress can only be very slow and difficult.

§ 8. Central institutions of Finnish co-operative associations.

Owing to the constant recommendation and energetic assistance of the "Pellervo" and encouragement from the State, the movement in favour of centralisation among the Finnish co-operative societies has become very pronounced. This movement is directed on the one hand towards federation of the various classes of co-operative societies; in provincial unions in the first place, and apterwadrs into national unions and on the other towards the foundation of central economic institutions for the promotion of the united efforts of the local associations.

If we take into consideration that the principal object of the non-economic federation of the local co-operative societies is to give them unity of aim, to direct them, inspect them, and watch over the general interests

of co-operation and to work to extend the principles and practice of co-operation we shall at once see that such a federation, not strictly economic, of co-operative societies is less necessary in Finland than elsewhere, at least as far as agricultural co-operation is concerned.

In fact, the various objects pursued in this respect by federal unions are no other than those the "Pellervo," that remarkable society which created agricultural co-operation in Finland and to which the greater part of its success is due, has pursued from its foundation with the fortunate results of which we are aware. For agricultural co-operation the "Pellervo" fulfils all the non-economic functions the provincial or national unions of the various classes of association could fulfil.

Under these circumstances, it is natural that federation in non-economic unions has made very little progress in Finland. In fact, two groups of co-operative societies alone, the distributive societies and the butter factories have as yet formed provincial unions, principally intended for a more detailed study of the numerous technical questions involved in this class of association than the "Pellervo" is in a position to undertake. Delegates of these two classes of provincial federation have been meeting since 1914 in national congresses, the transformation of which later into strongly organised federations is under discussion.

In the economic field, the question of federation presents itself under quite a different aspect.

Founded for the diffusion of co-operative principles generally and to encourage in every way the foundation of agricultural co-operative societies, the "Pellervo" has, on principle and systematically, always refused to occupy itself directly with the transactions and economic operations of the societies born of its initiative. It has quite rightly considered that it is infinitely better to found special central institutes for the purpose and has concentrated all its efforts on the attainment of this end, in which it has fully succeeded.

At present there are in Finland five central economic institutions for agricultural co-operation, namely:

(1) The Central Credit Institute of the Rural Co-perative Banks, founded in 1903,

(2) The Union of Co-operative Distributive Societies, founded in 1904,

(3) The Central Co-operative Agricultural Purchase Society, "Labor," constituted in 1906,

(4) The Central Co-operative Agricultural Purchase Society, "Hankkija," founded in 1905,

(5) The Central Co-operative Society for the Export of Butter, "Valio," founded in 1905.

Before giving an outline of the work of these institutions, we shall give in the following table some general statistics of the Finnish Central Co-operative Societies.

TABLE XI. — *Federations of Co-operative Societies in Finland between* 1903 *and* 1915.

Year	Number of Unions of Co-operative Societies	Number of Societies Affiliated	Capital in Marks	Capital not paid up by Members in Marks	Sales and Loans in Marks	Total Annual Profit in Marks	Branches and Storehouses	Number of Employees
1903	1	10	303,000	—	42,000	800	—	2
1904	1	69	307,500	—	264,000	10,000	—	3
1905	3	213	350,000	111,100	2,327,000	47,000	1	29
1906	5	413	351,700	117,900	15,540,000	236,000	4	64
1907	5	584	617,000	878,400	26,200,000	384,000	7	109
1908	5	741	886,500	1,038,200	34,303,000	262,600	12	141
1909	5	895	1,058,000	1,200,400	35,122,000	291,200	16	154
1910	5	946	1,236,400	1,255,400	27,984,000	383,900	22	159
1911	5	1,028	1,501,500	1,398,000	43,490,000	778,500	29	204
1912	5	1,113	1,953,600	1,610,800	50,930,000	651,600	35	256
1913	5	1,284	2,368,200	1,766,400	59,578,000	576,600	36	296
1914	5	1,536	2,738,800	2,278,400	65,648,000	1,359,600	41	346

(a) *Central Institute of the Rural Co-operative Banks in Finland.*

As in a very recent number of this Bulletin we dealt with this Institute of which we gave ample details, we shall now simply give the following table showing the progress made by it since its foundation.

TABLE XII. — *Progress made by the Central Institute of the Rural Co-operative Banks of Finland from* 1903 *to* 1915.

Year	Number of Banks Affiliated	Staff	Capital in Marks	Credit Opened to Local Banks in Marks	Credit Received by the Local Banks up to 31st. December in Marks	Annual Profit in Marks
1903	10	2	303,000	79,000	42,090	8,000
1904	69	3	307,000	429,000	264,000	10,000
1905	119	3	315,000	834,000	623,000	20,000
1906	148	4	323,000	1,225,000	948,000	22,000
1907	210	4	333,000	2,068,000	1,706,000	23,000
1908	268	4	342,000	3,257,000	2,878,000	25,000
1909	340	6	366,000	4,000,000	3,662,000	24,000
1910	374	6	391,000	4,388,000	3,867,000	36,000
1911	398	7	416,000	4,738,000	3,932,000	24,000
1912	399	8	426,000	4,990,000	4,113,000	24,000
1913	416	9	388,000	5,553,000	4,711,000	36,000
1914	441	10	429,800	6,319,000	5,342,000	41,000

(b) *Union of Co-operative Distributive Societies.*

Founded in 1904 by 12 co-operative distributive societies, this Union had at the start to contend against serious difficulties. It only accepts to day as members such societies as are firmly organised in an economic sense. The shares are 100 marks each and the affiliated societies must subscribe one share for every 25 members. The members' liability is 300 marks per share. The management is in the hands of a Board of eight members, elected by the members of the society and the Board in its turn elects three Directors.

Of the profits, 75 % are to be placed to the reserve fund until this fund is equal to the total amount of the shares, after which only 25 % of the profits shall be placed to it. The surplus net revenue may be utilised for payment of a maximum interest of 6 % on the shares.

The circumstances permitting, a further dividend in proportion to the purchases may be paid. Finally, any eventual balance shall be placed to a special fund, to encourage the development of agricultural co-operation or utilised for works of public utility.

The Union at this moment possesses ten storehouses. It also supports a consultation office and a laboratory for experiments.

Its work, previously limited to purchase and sale business, was extended in 1914 to include direct production, by the establishment of various workshops, as well as by the purchase of a large Swedish match factory.

The general progress of the Union, now possessing buildings in the six principal towns of the country, is seen in the following table.

TABLE XIII. — *Progress of the Union of the Co-operative Distributive Scieties of Finland from* 1905 *to* 1915.

Year	Number of Societies Adhering	Branches and Storehouses	Staff	Capital		Sales	Annual Profit
				Subscribed	Not Paid up	in Marks	in Marks
1905	27	1	16	112,400	84,300	1,004,000	17,000
1906	57	4	24	233,800	164,100	4,037,000	55,000
1907	80	5	58	363,800	224,100	8,885,000	154,000
1908	115	6	80	656,000	342,000	14,254,000	107,000
1909	131	6	88	789,500	382,200	14,072,000	155,000
1910	130	7	81	920,000	390,600	13,610,000	165,000
1911	148	9	104	1,101,000	432,000	16,142,000	367,000
1912	168	10	122	1,489,600	470,700	19,532,000	358,000
1913	196	10	137	1,867,600	538,200	22,968,000	189,000
1914	244	10	142	2,304,800	768,600	24,286,000	577,000

(c) *Central Co-operative Agricultural Purchase Society, "Labor."*

This society really dates from 1897. It was founded as a co-operative society for purchase and sale by a group of large landowners in the south of the country, for their exclusive use. After the promulgation of the law on co-operative associations in 1901, the "Labor", on the initiative of the "Pellervo", attempted to reorganise itself in order to assume the character of a central co-operative agricultural purchase society for the whole country. It only succeeded partially in this, as it would not accept the co-operative principles in their entirety, and, as we shall see hereafter, the "Pellervo" found itself obliged to promote the foundation of a central institution of a more really co-operative nature.

Now, after its partial reorganisation in 1906, the "Labor" accepts as members both private individuals and associations. The entrance fee varies from 50 to 500 marks as the Board of Management decides. The shares are 50 marks each. The liability is 1,000 marks per share and any member doing business with the society to an amount exceeding 5,000 marks in a year must subscribe a second share. From the profits there is first of all deducted a maximum interest of 6 % per share, and then 20 % is placed to the reserve fund, which is increased by the entrance fees.

In addition to the dividends contemplated in the rules, the "Labor" annually grants special dividends of an amount varying from 1 % to 3 % of that of the purchases during the year. In 1914, for example, this special dividend amounted to 27,500 marks.

The administration of business is in the hands of a Board of Management of six members. The "Labor" has branches and storehouses in various parts of the country. In 1914 it started a special pension fund for its employees.

The following table shows the progress of the "Labor" since 1906, that is to say since the reorganisation of the primitive association as a pseudo-co-operative central society. This table shows, better than many words could, how ineffectual this reorganisation has really been.

TABLE XIV. — *Progress made by the "Labor" from 1906 to 1915.*

Year	Number of Members		Branches and Storehouses	Staff	Capital		Sales in Marks	Annual Profits in Marks
	Total	Individual Landowners			Subscribed	Not Paid up		
1906	195	164	—	11	427,000	385,000	1,564,000	38,000
1907	184	165	—	12	469,000	404,000	1,868,000	51,000
1908	229	198	3	15	492,000	406,000	2,301,000	11,000
1909	259	223	4	15	553,000	449,000	2,707,000	23,000
1910	267	227	6	20	611,000	487,000	2,408,000	28,000
1911	318	377	9	30	692,000	547,000	3,230,000	43,000
1912	383	335	12	39	842,000	671,000	4,302,000	61,000
1913	416	359	12	45	944,000	740,000	4,557,000	48,000
1914	429	371	12	54	982,000	751,000	5,439,000	81,000

(d) *Central Co-operative Agricultural Purchase Society, "Hankkija."*

As long as the negotiations for the reorganisation of the "Labor" as a real central co-operative agricultural purchase society for the whole country continued, the "Pellervo" confined itself to the maintenance of a temporary office, serving as intermediary for agricultural purchases for private individuals and associations not members of the "Labor." But as the negotiations did not succeed, the temporary office was quite naturally transformed into a central co-operative society under the name of "Hank-kija."

In addition to local co-operative societies, it also accepts as members individual farmers, but the number of these may not exceed one third of the total number of members. The shares are 100 marks each, and the members' liability is 400 mks. per share, and every member must subscribe shares in proportion to the amount of the business he does with the association in the year. From the annual profits 20 % is deducted and placed to the reserve fund until that fund amounts to 200,000 mks. A second amount of 10 % is placed to a special fund for the development of agricultural co-operation and other works of public utility. It is only after these compulsory deductions have been made that a dividend of a maximum amount of 6 % may be paid on shares.

There is no provision in the rules in regard to eventual dividends to members on the amount of their annual purchases. In 1914, the amounts distributed under this head came to 40,600 marks.

The association has a Board of Management of six members, which elects a Board of Directors consisting of three members.

The "Hankkija" has founded branches in about ten of the most important agricultural centres of the country; it has also numerous storehouses in places best suited for despatch and transport.

Its progressive and constant development is seen in the following table.

TABLE XV. — *Progress of the Central Co-operative Agricultural Purchase Society, "Hankkija."*

Year	Number of Members		Branches and Storehouses	Staff	Capital		Sales — in Marks	Annual Profits — in Marks
	Total	Individuals			Subscribed — in Marks	Not Paid up — in Marks		
1905	67	—	—	10	33,800	26,800	700,000	10,000
1906	97	—	—	17	55,800	38,800	1,500,000	6,000
1907	134	—	2	23	82,300	54,800	2,600,000	31,000
1908	206	25	3	28	253,700	87,200	3,100,000	9,400
1909	359	121	5	25	241,600	162,400	2,841,000	29,800
1910	358	122	7	28	207,300	162,800	3,589,000	15,900
1911	439	148	9	38	262,500	196,000	4,817,000	61,500
1912	482	156	10	45	329,000	212,800	5,444,000	75,600
1913	610	196	14	66	478,000	287,200	6,163,000	41,600
1914	832	271	15	76	632,400	409,600	7,023,000	116,000

(e) *Central Co-operative Society, "Valio," for Export of Butter.*

On account of the extreme attention it gives to orders and its strict requirements in regard to the quality of the produce it delivers, this institution, which began in a very modest way in 1905, is now second in importance among undertakings of the kind in the countries of Northern Europe.

As members it may only accept butter making societies (co-operative or limited by shares), which satisfy certain very strict conditions in regard to their organization and equipment.

The shares are 100 maks each, the liability of members is 500 mks. per share and each member must subscribe a number corresponding with its annual production. The entire produce must be consigned to the "Valio."

After deduction of amounts to be placed to various funds according to the rules and a maximum amount of 6 % interest on the shares, the entire net profits are divided among the members in proportion to the amounts represented by the produce consigned.

The society has a Board of Management of 10 members elected at the general meeting of members and a Board of Directors of 3 members elected by the Board of Management. It has its headquartes at the port Hangö, and communication by sea is kept open all the winter by means of powerful ice breakers. Branches and storehouses are installed in various parts of the country and at Petrograd.

Besides its chief business, the "Valio" has organised special dairy and cheesemaking courses. It has also instituted dairy shows to which it annually assigns very considerable prizes. We saw above that lately the "Valio" has undertaken the encouragement of poultry improvement. In this field also the results obtained have been most remarkable.

Finally, the "Valio" supports several experts who traverse the country in every direction to give advice, not only to the members of the association, but to any one who asks for it.

The development of this remarkable institution is seen in the following table.

TABLE XVI. — *Development of the "Valio" from* 1906 *to* 1915.

Year	Members (Butter Making Societies)	Branches and Store-houses	Staff	Capital		Sales — Mks.	Annual Profit — Mks	Share of the "Valio" in the Total Exportation from the Port of Hangö
				Subscribed	Not Paid up			
1906 . .	80	—	8	125,000	125,000	7,491,000	115,000	20.9
1907 . .	141	—	12	247,100	195,500	11,141,000	125,000	38.1
1908 . .	146	—	14	281,000	203,050	11,770,000	129,000	39.7
1909 . .	150	1	20	308,600	207,000	11,840,000	119,000	42.4
1910 . .	157	2	24	361,700	215,000	13,310,000	139,000	48.5
1911 . .	150	2	25	408,000	223,000	15,367,000	283,000	47.8
1912 . .	172	2	42	478,500	248,000	17,548,000	133,000	52.1
1913 . .	201	2	39	557,000	301,000	21,179,000	262,000	64.5
1914 . .	232	4	64	668,000	349,000	23,558,000	544,000	81.4

MISCELLANEOUS INFORMATION RELATING TO CO-OPERATION AND ASSOCIATION IN VARIOUS COUNTRIES.

CANADA.

CO OPERATIVE WOOL SELLING IN QUEBEC. — The *Agricultural Gazette of Canada* for August contains an interesting note on the work of a number of associations for the co-operative sale of wool which have been organised in Quebec, chiefly through the efforts of members of the staff of the Animal Husbandry Department of Macdonald College. Assisted by a Federal grant the Department has been able to undertake a good deal of extension work, and, in addition to giving a large number of lectures and demonstrations illustrating the proper methods of shearing, and of preparing and packing fleeces, has this year successfully assisted eight local wool growers' associations to market their wool.

The results have been most encouraging. Last year a beginning had already been made in Co-operative wool selling, though in a very tentative way, with a single association in Pontiac County, which that year sold about twelve thousand pounds of wool direct to manufacturers at an advance upon current local prices of from five to seven cents a pound. This year — 1915 — eight associations, including that of Pontiac, sold collectively at excellent prices a total of 104,192 lbs. of wool. Particulars of the sales for each association are shown in the following table:

Particulars of Associations and Sales in 1915.

Association	Number of members	Number of fleeces	Average weight per fleece	Average price per fleece	Total amount received for wool	Average price per lb. wool
Pontiac	413	6,182	7.06 lbs.	$2.15	$13,348.30	30.57 cents
Compton	150	1,806	7.1 »	2.15	3,890.27	30.27 »
Stanstead	83	1,222	8.1 »	2.50	3,060.90	30.80 »
Richmond	75	1,360	7.33 »	2.23	3,022.07	30.12 »
Beauharnois	79	1,029	8.3 »	2.48	2,549.23	29.63 »
Bedford	55	815	8.1 »	2.46	2,045.65	30.52 »
Argenteuil	67	910	7.0 »	2.13	1,938.01	30.63 »
Sherbrooke	53	812	7.4 »	2.26	1,834.77	30.35 »
Totals	975	14,136	7.37 lbs.	$2.29	$31,689.20	30.36 cents

The members were supplied with sacks through their associations and were instructed how to prepare and pack the fleeces. Arrangements were made for the wool to be assembled, graded and offered for sale on definite dates at a number of convenient centres within the districts, and the wool was offered in good condition, unwashed, and well packed. As a result, it was sought after by buyers, and realised prices which, according to quality, varied from five to ten cents above prevailing prices.

It will be seen that the Pontiac association, the only one which has been in existence for two seasons, has now more than four hundred members and increased its sales enormously in its second year.

Our readers will remember that we described in our September issue a very similar scheme which was put into operation in Saskatchewan in 1914. It is too early yet to weigh results, and it is common knowledge that many schemes of the kind in different countries have succeeded for a few years (while conditions, perhaps, were very favourable) only to collapse when conditions changed. But history does not necessarily repeat itself, and the schemes we have described have this important element of soundness, that the associations concerned are not merely agencies for selling wool, but are, first and foremost, associations for improving the quality of the wool produced. This being so, their success as selling agencies is likely to be permanent as in each season they will be in a positiont o offer wool in large lots, uniformly well packed, and of a quality upon the whole superior to the average quality on offer. The Canadian experiments, therefore are well worth watching.

FRANCE. .

CO-OPERATIVE DISTRIBUTIVE SOCIETIES IN FRANCE ON JANUARY 1st., 1914. — The *Bulletin du Ministère du Travail* (Labour Office Bulletin), in its number for May-June, 1915, gives information in regard to the French co-operative distributive societies on January 1st., 1914. Leaving out of consideration: 1st., military co-operative societies, 2nd., societies for collective purchase and manufacture of raw material; 3rd., agricultural or other syndicates that have not founded separate co-operative distributive societies; 4th., mutual pharmacies; 5th. stewards' and other warehouses for sale of goods founded by employers for the use of their staff; 6th., commercial societies making deductions in favour of purchases; there were still working 3,156 co-operative distributive societies properly so called on January 1st., 1914, as compared with 3,145 on January 1st., 1913. This increase must be more apparent than real, as the enquiry made in 1914 revealed the existence of several societies that had given no sign of life previously. In fact, 92 societies were founded during the year, but 109 were dissolved, so that there must rather have been a slight decrease in their numbers. The Department of Nord heads the list with 322 societies;

next comes Charente-Inférieure, with 226 associations. Pas-de-Calais, Deux-Sèvres, Gironde, Vosges and Ardennes follow, with more than 100 each. Seine comes only eighth with 99. There is no department that has not at least one ; Lozère and Constantine have only one each, but there are 23 departments with less than ten each.

The societies do not limit themselves to the wholesale purchase of produce and merchandise with the object of selling again retail to the associates and sometimes to the public. A large number themselves undertake the manufacture of the goods they sell or at least their industrial transformation, before they deliver them to the consumers. This is especially true of the co-operative bakeries which, at the end of 1913, were 1,299 in number, and to which we must add 597 societies, selling both bread and other articles. We find the largest number of these bakeries in Charente Inférieure: that department has 217 alone, whilst Deux-Sèvres, which comes next, only shows 106. Seine has almost the last place, as it has only 2 societies. It is not very easy to determine the precise number of members and the amount of the business done by the societies, as many did not answer the lists of questions forwarded to them as promptly and carefully as might be desired. Thus we have only information in respect to the business of 2,988 societies, with a total number of 876,179 members. They had done a total business of 315,212,000 frs. in 1913. On the other hand, 90 only reported the number of their members, 13,541 all told. So that there was altogether a total of 890,000 members reported. The 1,212 co-operative bakeries reporting had alone 273,681 members and had done a total business of 65,200,000 frs. in the year. The department of Nord showed the largest number of members and the largest total business, the former being no less than 185,783 and the business done amounting to more than 56,984,000 frs. The least favoured department is again that of Lozère, which reported only 98 members and only 12,000 frs. total business done. For the department of Seine, the figures known are as follow. Paris, 46 societies, of which 45 had 64,319 members and had done business to the amount of 22,087,000 frs. ; suburbs, 53 societies, of which 51 had 16,833 members and reported business done to the amount of 7,902,000 frs.

Finally, in regard to the profession of the members, it is interesting to note that 116 co-operative distributive societies recruit their members exclusively among railway employees. Amongst these, 111 reported 69,749 members and a total business of 25,443,000 frs. Again, 23 societies have for their members only Government employees and workmen.

GREAT BRITAIN AND IRELAND.

CO-OPERATIVE FARM IMPLEMENT SOCIETIES. — A few years ago, under the auspices of the Irish Agricultural Organisation society, a scheme was devised for the formation of co-operative societies which should be

able to place at the disposal of their members practically every kind of farm implement, from a one-horse plough to a high-power agricultural tractor. The scheme is described in an article by Mr. T. Wibberley, which appears in the August number of the *Journal of the Board of Agriculture*. In illustration of its results in increasing the area under tillage, the writer gives the following figures relating to four societies:

Society	Number of Members	Total area in tillage for each Society			Average increase per Members
		1913	1914	1915	
		Acres	Acres	Acres	Acres
Meenaheela (Co. Limerick) . . .	21	71	104 1/2	158 1/2	4.1
Killeedy (Co. Limerick).	20	122	146	176	2.7
Menlough (Co. Galway).	64	454 1/4	519	683	3.6
Fourmilehouse (Co. Roscommon).	32	94	106	153	1.8
Totals.	137	743 1/2	875 1/2	1,171	—
Averages . . .	34	186	219	293	3.12

These societies were not specially selected, but all are situated in very poor districts, amongst farmers whose capital is very limited and whose holdings average about 30 acres. Had all Irish farmers increased their cultivated area in the same average proportion as the members of these societies, the result would have been an increase of 1,500,000 acres under the plough.

The societies are formed in the same way as other agricultural co-operative societies. As a rule each member is required to take at least five shares of the nominal value of £1 and to pay 2s. 6d. par share on allocation. He also signs a form making himself responsible to the committee for the payment of his shares in full, in the event of the society meeting with financial disaster. The working capital is obtained by means of an overdraft from the local branch of a joint stock bank. This is guaranteed by the members of the committee, who are thus directly responsible to the bank for the security of the amount borrowed, but are in turn secured by the uncalled share capital.

As a general rule, the implements are hired out in the order in which applications for them are made by the members, but precedence is given to the member who wishes to use the implement for the longest period. The rate at which implements are hired out to members of a society is about half what it would cost to carry out the various operations under the old régime. If, for instance, potato sorting by hand costs 15s. per ton, the po-

tato-sorter is hired out at 7s. 6d. per ton. Again, if the ploughing of stubbles by horse labour costs 10s. per acre, a double disc harrowing with the agricultural tractor (which tills the land more effectively) is undertaken at the rate of 5s. per acre. In the case of corn threshing the usual rate is ½d. per stone threshed.

A well-managed society can soon earn sufficient to pay for the initial cost of the implements. Many instances are on record where a society commencing with two binders has in one harvest earned sufficient to purchase a potato-digger. The potato-digger has gone out on hire, and in its first season has earned sufficient to buy a corn drill, which in like manner has earned the price of a horse-power sprayer, and so on. A society usually begins operations in a small way, but once the farmers of the district recognise its utility the membership rapidly increases, and the society then becomes in a position to undertake the purchase of the more expensive implements.

Part II: Insurance and Thrift

GENERAL.

TECHNICAL CONDITIONS OF FORESTRY INSURANCE.

In the course of the year 1913, we had occasion twice to point out the considerable difficulties in the way of forest insurance, and, consequently the still rudimentary condition of most of the organisations that endeavour to undertake these risks which as yet have been little studied and are not well known. In regard to forestry insurance in France, we said in March, 1913 : " The insurance of forests against fire is very badly organized, and in addition is very rarely met with. Nearly all the measures now taken against fire are simply preventive. " In September of the same year, speaking of forest insurance in Norway, we showed that, up to 1911, such insurance had had hardly no practical importance. Evidently this situation can only be temporary : it in any case invites us to give all our attention to the suggestions the specialists may make with the object of more nearly ascertaining the extent and limits of fire risks in forests, with a view to fixing a more suitable tariff for these risks. Such are the very interesting ideas M. Lécaille, expert engineer of Commercy, expressed in the course of a lecture, delivered on January 20th., 1912, before the Lorraine Section of the Forest Society of the Friends of Trees. We shall summarise them briefly, considering in turn the nature and the gravity of the damage caused by fire, the various methods employed in estimating the damage and the clauses and tariffs of the Insurance Companies.

§ 1. Damage caused by fire.

The damage due to fire is of various character, and consists in the loss of :

(1) the profit that would have been derived from the ordinary cutting of the parts of the forest destroyed ;

(2) the root stock ;

(3) the vegetable covering (underwood or the lower part of the trees) and the seeds sown ;

(4) the leaf litter, nitrogenous manure formed by successive falls of leaves or needles.

Various accessory losses are also to be considered, consisting in :

Difficulty in regulation, due to partial and premature cutting ;

Reconstruction of roads destroyed by such cutting ;

Travelling and valuation expenses ;

Decrease in value of hunting and shooting leases ;

Various limitations of enjoyment.

Generally, the insurance only contemplates repayment of the intrinsic value, on the day of the fire, of the amount of wood destroyed, which is less than the value, on the same day, of the future profit to be derived from the ordinary cutting.

It also sometimes, but very rarely, and by means of a special extra premium provides against a second loss, called difficulty in regulation, which is, however, not the difficulty in regulation, understood by foresters. This special loss is, as we shall see, a consequence of the method pursued in calculating the first.

When the root stock is insured, which is even a rarer matter, the policy generally takes account only of the purchase price of the plants to the exclusion of the expense in labour.

When a fire is caused by an outsider who is responsible and solvent, for example, by a railway company, the owner of the forest burned has a claim to compensation for all the losses suffered enumerated above. In other words, he has a right to full satisfaction for the loss suffered.

The nature of the losses caused by fire being thus established, let us now consider their importance. This varies with the nature of the forest and the season.

(A) *Broad-leaved forests.* — Fires are most frequent in spring, when the living undergrowth does not sufficiently protect the combustible leaf litter. The fire generally originates in the leaf litter and only it and the undergrowth are ever completely consumed. The heat due to this combustion affects the bark, and the vitality of the trees will suffer more or less, according to the thickness of the bark protecting the cambial layer, the only living part of the trunks. The wood proper is very rarely attacked and will lose very little of its market value.

Thus the high forest wood has so to say nothing to fear from fires ; the standards of stored coppices only very rarely suffer, and, according to M. Lécaille, experience has shown that it is only in fires of exceptional importance that the loss suffered by the standards amounts to the fifth part of the value of these trees. The copse wood will suffer more, but it is very seldom that the damage extends beyond the bark.

The root stock will not generally suffer at all from fire, and, after cutting back, there will be new shoots from the old root stocks.

Fire therefore will only cause broad leafed trees damage of very slight importance. M. Lécaille mentions the case of 7 fires occasioned in 1911 in Lorraine by a local railway, for which a total sum of not more than 700 francs was paid, that is an average of 100 frs. per fire. Either the forests are young and their value is slight ; or they are older and less exposed to suffer by fire. After the fire and deduction of the loss, the older they are the more considerable will be the proportion of the salvage. Thus, again according to M. Lécaille, in a very serious fire in Belgium in 1911, extending over nearly 50 hectares and causing more than 12,000 frs. damage, compensation was only allowed, in the case of copsewood ready to be cut, to the amount of 50 fr. per ha., that is to say for the value of the bark.

(B) *Conifers.* — Fires cause more considerable losses among conifers than among the broad leaved trees. As the sap consists of eminently combustible material by which the bark is impregnated, the combustion will be the more complete. Nevertheless, the wood itself seldom suffers, and the value of the salvage will be more considerable the older the trees are.

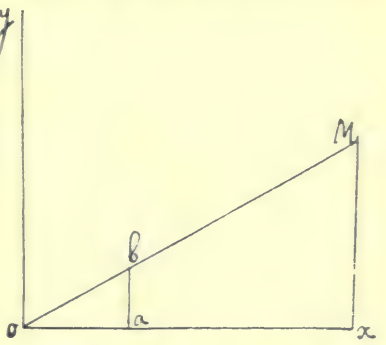
Let us, however, observe that, in the case of conifers, the death of the upper part will entail that of the part below the ground and consequently the loss of the root stock.

§ 2. Methods of estimating losses.

The loss occasioned by a fire being the difference between the value before and after the fire, M. Lécaille shows as follows the methods of estimating the value of a forest of a given age.

(A) It may first of all be admitted that the value of a forest is in proportion to its age. This has the incontestable advantage of simplicity, but it must be recognised that the value thus calculated is higher than the present value of the future proceeds to be obtained by felling the trees.

If we express this method by the usual diagram, marking different lengths, on a line *o x* (axis of age), corresponding with the age, and draw perpendiculars to these points of length in proportion to the value of the wood, the growth of the wood will be represented by a straight line *o M*.



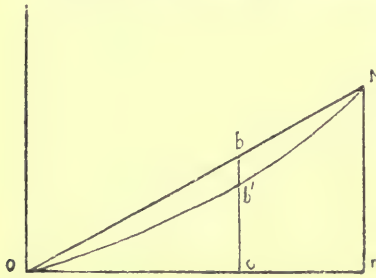
If at 30 years the value of the cutting is 300 frs., represented by the length *M x*, the value at the age represented by the length *o a* will be represented by the length *a b*.

(B) *Method of the Insurance Companies.* — To find the value of a copsewood not yet arrived at the age for cutting, the Companies assume, as

in the preceding method, that the value of the wood increases at an equal rate, but as the value in proportion to the age cannot be immediately realised, the Companies reduce it by means of a discount calculated at compound interest for as many years as have to run between the date of the fire and that of the felling, so as to calculate the compensation for the date of the fire and not of the felling.

The rate of interest adopted was formerly 5 % and has been in turn reduced to 4 % and 3 ½ %. Some Companies even allow 3 %.

Expressing this method by a diagram, the successive values will follow the curve *o b' M*. The value *c b* corresponding with the age being reduced by the length *b b'*, representing the discount for *m o* years.



The length *b' c*, value of a forest, will be so much greater as the length *bb'* is less, that is to say it will be the greater the smaller the discount is. The concavity of the curve will thus decrease with the rate.

For standards, the Companies adopt another method which we shall show below. The value of the young plantations is generally determined by the method just explained.

(C) *Foresters' Method.* — To estimate the future value of a wood, the foresters consider the capital, which, invested at the start at compound interest at the rate *T*, has become at the time of felling equal to the revenue from the cutting. The value of a forest at a given age is, for the foresters, the difference between the value of this capital at interest at this age and the original capital considered as immobilisable. In this way the growth of a forest is assimilated to that of a capital sum invested at the first plantation at about 7 % compound interest.

(D) *Method of Annuities.* — According to this method, the increase in value of a forest is assimilated to the increase in capital through the successive investments of the same annuity at compound interest, at the end of each year during the whole period of forest management.

These methods are employed to estimate the value of a forest which has no market value as yet, that is to say copsewood before the usual period for felling, or conifers before they are felled for mining timber.

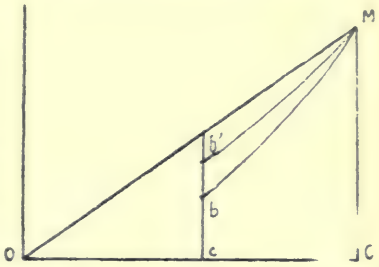
The trees of the first class if allowed to grow are classed as timber and their price per cubic metre is far higher.

The following is the rule habitually followed by the Insurance Companies in fixing the value of a tree :

The value, fixed as if it had arrived at the age for felling (generally 120 years) is reduced by a discount at compound interest for so many years as remain to pass before the age for felling is reached. The rate of discount has varied as in the case of copsewood ; it is now about 3 %.

Let *c b* be the present value of a tree, estimated on its cubic contents. At the age for felling *o c*, its value will be *C M*; its successive values increas-

ing along the curve *b M*, according to the natural law of growth, that is to say, very nearly in the same way as an amount invested at 7 % compound interest. The estimated value allowed by the Insurance Companies will be *c b'*, which is far higher than *c b*, for the curve *b' M* is the line of increase of the capital at 3 %, and the curves of increase approach more nearly to the line *O M*, the lower the rate is.



The estimated value calculated for the standards is, like that for the copsewood, higher than the intrinsic value ; because the estimated values must be considered as representing the present value of a future profit.

Indeed, the insurance of words, forests and plantations can only be considered as assurance of a future profit.

Comparison of these Methods. — In order to compare the results obtained by these various methods, M. Lécaille has calculated on each system the value for every age of a hectare of copsewood, which is worth 317 frs. at 33 years. For the purpose he has calculated by means of the formula $y = f(x)$, the value y at the age x of a forest giving at the age n a yield R. If t is the rate of interest, T the rate of capitalisation of the forest (7 %), F the value of the land :

By the method of valuation in proportion to the age of the forest, $f(x) = x\frac{R}{n}$.

By the Insurance Companies' Method, $f(x) = x\frac{R}{n}\left(\frac{1}{1+t}\right)^{n-x}$

By the Annuities Method, $f(x) = \frac{R}{(1+t)^n - 1}[(1+t)^x - 1]$.

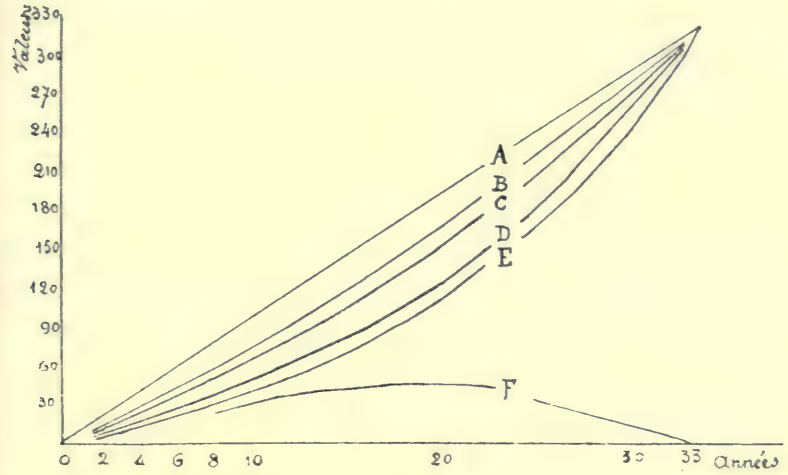
By the Foresters' Method, $f(x) = \frac{F+R}{(1+T)^{n-x}} - F$,

Thus he arrived at the following table in which the calculation has been made to the nearest quarter, the rate of interest taken being 3 %.

Values of a hectare of Copsewood worth 317 *frs. when* 33 *years old.*

Age	Proportional Value	Insurance Companies' Method	Difficulty in Regulation	Total of the Two Preceding Columns	Annuities Method	Foresters' Method
1	9.50	3.25	3.50	7.75	5.25	8.25
2	19.25	6.50	6.75	13.25	10.75	5.50
3	28.75	10.25	10.00	20.25	16.25	8.25
4	38.50	14.25	13.25	27.50	22.25	11.75
5	48.00	18.25	16.25	34.50	28.25	15.25
6	57.75	22.75	19.00	41.75	34.50	18.75
7	67.25	27.50	21.75	49.25	41.00	23.00
8	77.00	32.50	24.50	57.00	47.50	27.25
9	86.50	38.00	27.00	67.00	54.50	32.00
10	95.25	43.50	29.00	72.50	61.75	36.75
11	105.75	49.75	31.25	81.00	69.25	42.00
12	115.50	55.75	33.00	88.75	76.75	47.75
13	125.00	62.75	35.00	97.75	84.75	53.75
14	134.75	70.25	26.25	106.50	93.00	60.25
15	144.25	77.75	37.50	115.25	101.50	67.00
16	154.00	85.75	38.50	124.25	110.25	74.75
17	163.50	94.25	39.25	133.50	119.50	82.25
18	173.25	103.25	39.75	143.00	130.00	90.75
19	182.75	113.00	39.75	152.75	138.75	99.75
20	192.50	123.00	39.75	162.75	148.75	109.25
21	202.00	133.75	39.50	173.25	159.25	119.25
22	211.75	145.25	38.50	173.75	170.25	130.75
23	221.25	157.00	37.25	194.25	181.25	147.50
24	231.00	169.50	35.75	205.25	193.00	155.25
25	240.50	182.75	33.75	221.50	210.00	169.00
26	250.25	196.75	31.25	228.00	218.25	183.50
27	259.75	211.25	28.50	239.75	230.25	199.00
28	269.50	226.75	25.00	251.75	243.75	215.50
29	279.00	243.25	21.00	264.25	257.50	233.25
30	288.25	260.25	19.25	279.50	271.75	252.25
31	298.25	268.50	11.75	290.25	287.50	272.50
32	308.00	297.50	6.25	303.75	301.75	297.00
33	317.50	317.50	—	317.50	317.50	317.50

The comparison becomes more striking when we follow M. Lécaille and represent the values obtained in the following diagram.



Explanation.

A. — Method of Valuation in Proportion to the Age of the Forest.
B. — Insurance Companies' Method, including Difficulty in Regulation.
C. — Annuities Method.
D. — Insurance Companies' Method.
E. — Foresters' Method.
F. — Difficulty in Regulation.

As our authority remarks, in order that by the method of valuation adopted fair compensation may be given for the loss suffered, the value at date of fire estimated, at compound interest up to the age for felling, increased by the value of the natural reproduction, should be equal to the yield of the cutting, so that $f(x) = (1 + t)^{n-x} f(x) + f(n\text{-}x)$. In one word, this method should compensate for the loss called by the Insurance Companies " Difficulty in Regulation. "

The annuities method alone offers this advantage.

We see by the diagram that the values arrived at by the annuities method are not the same as those given by the Insurance Companies' method, increased by the value of the difficulty in regulation, but are slightly lower. This is because all these values are estimates only and depend essentially on the method of calculation adopted. The first is a function of $(1 + t)^x$ the second of $(1 + t)^x$ and $\frac{x}{n}$.

When the value before the fire has been fixed, the loss is arrived at by deducting from that value the salvage immediately realisable. It is

generally supposed, but M. Lécaille considers it an error, that the expense of cutting back is compensated by the value of the wood, in the case of forests of some age. With the present high price of labour such compensation is not possible and the costs of cutting back generally exceed the profits, in the case of young copses burned. It must be considered further that the cutting back must be done immediately after the fire and not at the usual season of cutting wood.

§ 3. Insurance companies' tariff.

The tariffs vary with the different companies or societies. We give, by way of example, those adopted by the Companies belonging to the General Syndicate of French Fixed Premium Fire Insurance Companies.

Net (1) Annual Premiums for an amount of 1,000 frs.

Broad Leaved Trees	More than 25 years old		0.40
	25 years old or under		0.75
Conifers	From 1 to 10 years old		10.00
	" 10 " 15 " "		5.00
	" 15 " 30 " "		3.50
	" 30 " 50 " "		2.50
	50 years old and over.	Mixed with younger trees	1.50
		Not mixed	1.00

To these figures must be added the taxes, and, for the first year, the costs of the policy and 55 centimes a year for "registration expenses."

For this tariff, account is only taken of the dangers inherent in the nature of the forests themselves, without considering the other circumstances which may have an influence on the origin or development of the fires (the situation of the forests in the neighbourhood of houses or not, in dry or rainy regions, their division by means of large firebelts, or the absence of such division).

§ 4. Clauses of the insurance policy.

These clauses are of two kinds : those for fire insurance generally and the special clauses for forest insurance.

Among the first, M. Lécaille only mentions that styled "the rule of proportion", which is as follows : "If expert examination shows that at the moment of the fire the value of the objects insured exceeds the

(1) That is free of taxes.

amount assured, the policy holder is his own insurer for the surplus and must bear his proportion per franc of the loss." This clause makes it necessary to insure for the maximum value the forest may acquire during the period for which the policy is taken out.

Let us now pass to the most interesting of the special clauses of forest insurance.

(A) *Copsewood.* — The policy holder is bound immediately to make known any change he makes in the organisation of the forest, under pain of forfeiting all claim to compensation in case of fire.

The Company will in no case be responsible for damage to heaths, furze, moors or what it has been agreed to call undergrowth.

In case of fire, experts shall estimate at the current rate the market value of the copse as if it had attained the usual age for felling. They shall divide this value by the number of years of the forest management and multiply the result by the age of the coppice burned. The value thus arrived at should properly only be received at the date on which the policy holder would receive the price of the wood cut, but if the Company pays the claim in cash, if the forest burned has not yet reached the age for felling, this value can be reduced by a discount of 3 ½ % compound interest. This discount shall be calculated for as many years as each parcel burned requires to attain the regular age for felling.

In case of disagreement in regard to the valuation of the loss, the final settlement shall only be made in the month of September of the year immediately following the loss.

(B) *Standards.* — To estimate the damage to standards, the experts shall determine: 1st. the average age at which the trees are felled ; 2nd. the age and total value for each age of all the trees damaged, as if they had reached the above age for felling without suffering from fire ; 3rd. and finally, the loss in value also for all the trees of each age there may be at that date. The loss will be the difference between these two valuations and the compensation must be fixed after deduction of 3 ½ % compound interest per year.

(C) *Restocking.* — Restocking, when stocks have been killed by fire, will be calculated at the rate of two plants for one, planted between the old stocks as usual, without uprooting the latter.

(D) *Insurance of Difficulty in Regulation* — To fix the loss the fire may cause in difficulty in regulation of the copses, the experts will fix the price they have established per hectare of complete growth and will deduct therefrom: 1st. the claim already fixed for the loss in copsewood increased by the interest from the date of the fire up to that of the usual cutting ; 2nd. the value the natural reproduction will have attained at the usual date of cutting, less the cost of cutting back, as if the natural reproduction were again burned at that date. The remainder after these deductions will be the amount of the loss, on which discount of 3 ½ % compound interest is calculated from date of the fire up to that of the ordinary cutting, since the claim is paid in cash.

(E) *Conifers.* — Seeds and seedlings of less than five years' age are not insured.

(F) *Miscellaneous Clauses.* — In forests not consisting of conifers a tenth part of scattered conifers will be allowed, without extra premium.

Finally, it is expressly agreed that the Company only insures what is above the soil at the height of the ordinary cutting and does not compensate for loss of root stocks, which it does not insure.

§ 5. Results of forest insurance.

(A) *Copsewood.* — The premiums paid for insurance of copsewood, including the special risk of difficulty in regulation, capitalised at the same rate as that contemplated in the insurance contract during the whole period of forest management, amount to about 4 % of the value of the wood when cut.

This is too high a charge in view of the small risk of fire and the generally insignificant compensation due for loss through fire.

(B) *Conifer Forests.* — Let us suppose a hectare planted with Austrian pine, felled at 33 years; if insured in the cheapest way, that is with five years' policies, the claims paid on the Insurance Companies' method will be as follows, supposing the hectare completely destroyed :

The	first	year	the	maximum	compensation	will	be	12.80
»	second	»	»	»	»	»	»	26.50
»	third	»	»	»	»	»	»	41.20
»	fourth	»	»	»	»	»	»	56.80
»	fifth	»	»	»	»	»	»	73.45

The financial results of the felling are shown in the following table :

Period	Amount Assured	Premium per cent	Annual Premium	Capitalised Premium		Maximum Claim
				In the Period	From the Start	
From 0 to 5 years	73.45	11,046	0.80	4.45	4.45	73.45
» 5 » 10 »	174.50	11,046	1.95	10.80	15.95	174.50
» 10 » 15 »	311.00	5,546	1.70	9.45	27.90	311.00
» 15 » 20 »	492.35	3,896	1.90	10.55	42.90	492.35
» 20 » 25 »	730.90	3,896	2.85	15.80	65.60	730.90
» 25 » 30 »	1,041.75	3,896	4.05	22.45	98.55	1,041.75
» 30 » 33 »	1,272.50	2,796	3.00	13.05	125.10	1,272.50

Thus in the case of conifers, about 10 % of the value of the yield of wood when cut must be utilised for insurance.

Practically the insurance will be even higher in proportion, for, in M. Lécaille's calculations, no account was taken of policy and registration expenses and he supposed the insurance to be limited to the amount strictly necessary.

The results are not more satisfactory for the Insurance Companies which refuse so to say systematically to insure conifers and generally only undertake the risks for broad leaved forests when they are obliged to for commercial reasons.

These poor results are due to the adoption of ill-considered tariffs which prevent the insurance of good risks which alone could give profits.

In order that the insurance of forests, woods and plantations against fire may develop and become habitual like the insurance of other estate, real and personal, the insurance, while giving the insurers legitimate profits, should compensate the proprietors for the greater part of their losses, without their having to pay too high claims.

In this connection, M. Lécaille makes the following suggestions.

First the tariffs should be established by regions and vary with the regions. If the Insurance Companies have recognised the necessity of adopting higher or lower tariffs according to the regions for ordinary property, such a necessity is the stronger in the case of forests.

The insurance premiums further vary with each region. They are higher where the population is least dense, and are in proportion to the more or less effectual assistance that can be given in case of fire. A similar difference should be made, in the opposite sense, in the case of forests. The tariffs should be higher the nearer the forests are to towns, that is to say the more they are frequented by visitors.

The premium should also be affected by the neighbourhood of railways, charcoal kilns etc.

Finally in fixing the tariffs account should be taken of the division of the forests by wide fire belts or the absence of such division.

The statistics of forest fires collected would allow of the fixing of the tariffs on secure bases.

On the other hand, the Companies should make the following changes in their contracts:

(1) They should adopt the annuities method for calculation of the value of the forests that have as yet no market value, but of which the value of the yield from the cutting is known (copsewood).

(2) They should repay the costs of labour, and purchase of plants and pay the rental value of the soil with interest for wood that has as yet no market value and the future value of which is uncertain (young plantations).

(3) They should apply the method adopted in the case of the standards to forests that have a market value on the day of the fire.

(4) They should no longer assume that the cost of cutting back is compensated by the value of the yield, in the case of young copsewoods

and plantations and should take account of the expenditure, when it exceeds the value of the produce.

(5) They should undertake, for extra premiums, the risks of restocking and of the leaf litter.

Till these improvements have been agreed to and as long as the tariffs are not fixed more in accordance with real conditions, forestry insurance can only be considered as a palliative in anticipation of an almost certain event, and only those forest proprietors will continue to insure who are especially exposed to the risk of fire.

GREAT BRITAIN AND IRELAND.

MUTUAL CATTLE INSURANCE IN ENGLAND AND WALES.

OFFICIAL SOURCES :

THE CO-OPERATIVE INSURANCE OF CATTLE (CONTAINING ALSO MODEL RULES FOR COW CLUBS). Board of Agriculture and Fisheries, London, 1914.

AGRICULTURAL CO-OPERATIVE INSURANCE IN ENGLAND AND WALES. "Journal of the Board of Agriculture," April, 1912, London.

CO-OPERATIVE COW INSURANCE SOCIETIES IN 1910. "Journal of the Board of Agriculture," May, 1912, London.

CO-OPERATIVE COW INSURANCE SOCIETIES IN 1911. "Journal of the Board of Agriculture," December, 1912, London.

PREES COTTAGERS' COW CLUB. "Journal of the Board of Agriculture," August, 1912, and March, 1913, London.

WEM COW CLUB. "Journal of the Board of Agriculture," February, 1913, London.

CO-OPERATIVE COW INSURANCE SOCIETIES IN 1912. "Journal of the Board of Agriculture," January, 1914, London.

FRISKNEY COW INSURANCE SOCIETY. "Journal of the Board of Agriculture," April, 1913. London.

HANMER COW INSURANCE SOCIETY. "Journal of the Board of Agriculture," August, 1913, London.

MAWDESLEY FARMERS UNITED COW CLUB. "Journal of the Board of Agriculture," July, 1913. London.

MOULTON CHAPEL COW INSURANCE CLUB. "Journal of the Board of Agriculture," November, 1913, London.

NEWCASTLE, GATESHEAD AND DISTRICT BUTCHERS' CATTLE INSURANCE SOCIETY. "Journal of the Board of Agriculture," February, 1914, London.

WHIXALL COW INSURANCE SOCIETY. "Journal of the Board of Agriculture," June, 1913, London.

SOHAM CATTLE CLUB. "Journal of the Board of Agriculture," December, 1914, London.

CO-OPERATIVE COW INSURANCE SOCIETIES IN ENGLAND AND WALES. "Journal of the Board of Agriculture," January, 1915, London.

COVENEY NEW CATTLE CLUB. "Journal of the Board of Agriculture," March, 1915, London.

OTHER SOURCE :

SUTTERTON COW INSURANCE SOCIETY. "Co-operation in Agriculture," December, 1912, London.

Introduction.

In the *Monthly Bulletin of Economic and Social Intelligence* for October, 1914, appeared an article describing the "Insurance of Pigs in England and Wales" by means of the numerous village organisations generally known as Pig Clubs. It was there shown that there were over 1,000 clubs in existence for the insurance of pigs and that these clubs had been formed almost entirely on the initiative of the villagers and small pig-keepers in the country districts, by whom they continue to be managed for their mutual benefit. Similar clubs exist for the insurance of cows and young cattle but they are not nearly so numerous. A few clubs in addition exist solely for the insurance of horses, while several of the clubs which insure cattle deal with horses as well.

For our present knowledge in respect to the different varieties of these insurance clubs we are, to a very large extent, indebted to the careful and painstaking researches of Sir James Wilson. The Board of Agriculture and Fisheries through him have done most valuable work in investigating the history and experience of a number of the existing clubs and have also collected and published valuable statistics in regard to them. The experience which has been gained over a number of years by the most successful of the old established clubs is naturally of the greatest service in enabling assistance and advice to be given to those who may contemplate the formation of similar institutions in districts where previously no club existed. As a result of the knowledge obtained in this way the Board of Agriculture have issued Model Rules and explanatory notes for the guidance of those wishing to start new clubs. Throughout the pages which follow constant reference is made to the publications of the Board of Agriculture and we wish fully to acknowledge the extent to which we are indebted for our information.

The cow clubs are, as far as can be ascertained, quite as old established as the clubs insuring pigs which were described in the earlier number of the *Bulletin*; in fact the oldest known club is the Cow Club at Mawdesley in Lancashire, which was founded so long ago as 1807. If we substitute cows for pigs, a good many of the remarks in the previous article descriptive of the working of these clubs will be equally applicable to the class of society now under consideration. For the benefit of those readers who have not access to the former article, however, it may not be out of place to give a brief description of the general methods of working. The statistics and the figures which relate to such matters as death rate, insurance contributions, compensation, etc., are naturally quite different and must be considered separately.

§ 1. Cow clubs: Object and scope.

We shall confine ourselves to dealing with the form of organisation known as a Cow Club, as this is the only method of mutual cattle insurance at present in operation in the country of sufficient importance to be considered at length. It should be noted that in these clubs insurance is practically confined to milking cows and calves; fattening animals and young store stock are not dealt with except in the case of a very few and exceptional instances. In regard to horse insurance we shall only include those cases where this branch of work is dealt with in the same club as cattle insurance.

As in the case of the pig clubs, the cow clubs also are generally confined to a single parish or at most to one or two neighbouring parishes. Their object is to secure their members against the loss of their animals through disease or accident by creating a fund built up from small regular insurance contributions, paid by the members in respect of each animal insured. The exact amount of the contributions varies a good deal in the different clubs, as do the arrangements for covering the expenses of management, and we shall deal with these matters rather more fully later on. When an animal dies the owner is entitled to receive compensation from the funds. It is practically a universal provision that the club shall not be responsible for giving compensation in the case of any accident or death caused by wilful negligence on the part of the owner. This compensation is usually calculated in proportion to the value of the animal and is nearly always limited to a maximum amount, say £10 or £12, the amount payable generally being some fraction, say four-fifths or three-quarters, of the full market value. The affairs of the club are in the hands of a Committee elected annually by the members and there are as a rule one or more officers known as Markers or Stewards. It is their duty to inspect the animals which are offered for insurance, and if passed as being sound, to brand them with the Society's mark. The valuation in the case of animals which die is entrusted generally to the markers or to a small sub-comittee consisting of the marker and two or three committeemen. Practice varies in respect of the carcases of animals which die. A frequent, and certainly the best, plan is for this to be taken over by the society and sold for what it is worth. Generally its value is only what the hide will fetch.

Some clubs have arrangements for an Annual Dinner. These dinners in country villages doubtless have an excellent effect in keeping the members together and bringing all of them at least once a year into direct touch with the affairs of the club. It seems unwise, however, to charge any of the expense of such a dinner to the funds of the club and, in those cases where dinners are held, the members would often be able to insure their animals at a considerably lower rate if they would consent to having a separate dinner fund.

§ 2. Distribution.

There are reported to be at least 157 of these societies for the co-operative insurance of cattle. They are distributed over 15 counties, Lincolnshire having the greatest number, namely 56 societies, and the next two being Derbyshire with 21, and Cheshire with 13. Forty-six were founded before 1860 and so have been at work for more than 50 years.

§ 3. The prees cottagers' cow club.

It may be the most satisfactory way to convey a good idea of the system on which these clubs work to describe in some detail one of those which is most successful, and the Prees Cottagers' Cow Club has been selected, the particulars which follow being taken verbatim from the publications of the Board of Agriculture. This club is one of the larger clubs, but the general method of working which has here been so satisfactory does not differ in any material way from the system which is followed by the great majority of the clubs.

"It was formed in 1838 and in 1911 it had 179 members and insured 453 cows and 84 calves. During the previous 10 years it had paid insurance compensation on 91 cows and 17 calves, and the average death-rate for that period was 2.1 per cent per annum. In its best year the deaths were only .9 per cent, and in its worst year 3.3 per cent. Until 1910 it paid the market value not exceeding £10 of any insured cow that died from disease or accident, but in that year the maximum payable was raised to £12.

"The members are almost entirely small holders or cottagers. The affairs of the Club are managed by a Committee of seven members, elected annually, and by a Secretary, a Treasurer, and four Stewards. The schoolmaster, who has held the post of Secretary for more than thirty years, receives a small remuneration. The only other charges paid by the Society, besides printing, stationery, etc., were 1s. paid to the Steward on the death of an insured animal, 1s. 6d. paid to an Advisory Committee assembled to value a sick animal, and 1s. 9d. paid to the ordinary Committee when specially summoned and the total expenses of management averaged only £6 9s. per annum, or 3d. per animal insured. Each Steward has an area assigned to him, within which he marks any animal a member may wish to insure in accordance with the rules. He has to satisfy himself that the animal is sound ; then he brands it on the horn or hoof with the Society's brand, and enters its description with the name of the owner in his book. When an insured animal falls ill or meets with an accident, the Steward is sent for to value it and to see that all that is possible is done to cure it,

and generally calls in an ex-steward or member of Committee to assist him in his duty. He receives from the owner 3d. for each animal marked, and from the Club 1s. for attendance at each quarterly meeting. There is no difficulty in getting good experienced men to accept the responsible office of Steward, and the valuations are rarely disputed either by the owner or by the Society.

"A member, besides paying an insurance contribution of 1s. per quarter for each cow and 9d. per quarter for each calf insured, formerly had to pay an entrance fee of 1s. for each cow and 6d. for each calf, and an annual subscription of 2d. per animal towards management expenses; so that his total annual payments per cow, after payment of the entrance fee, amounted to 4s. 2d. He is liable to a levy of so much per animal insured, should it become necessary in order to find funds to pay for exceptional losses, but no such levy has had to be made for many years, and with a reserve fund of £1,040 it is very improbable that any levy will ever become necessary. When an insured animal falls ill, the owner must at once call in the Steward, and is bound to use every means in his power for its recovery at his own expense. If the animal dies, the hide and carcase belong to the Society, which has contracted for the sale of all carcases at the price of 15s. each."

In view of its excellent financial position, the Society has recently resolved to remit the contribution from members towards management expenses and to reduce the insurance contributions for cows in the case of members of not less than ten years standing.

§ 4. Statistics.

In the accompanying Table of Statistics some of the leading figures are given for a proportion of the clubs in existence, these having been collected by the Board of Agriculture. Many of them are in out-of-the-way villages and the majority are not registered, so that it is difficult to collect complete figures from them. Of the 157 clubs known to be in existence particulars for the year 1913 have been obtained from 89 unregistered and 19 registered clubs and these are given separately in columns 1 and 2. Column 3 contains the average figures for the years 1911-1913 for an average of 88 of the registered and unregistered clubs, taken together. These figures are useful as representing the combined experience of a considerable number of clubs over three years.

Statistics of Cattle Insurance Clubs in England and Wales.

Particulars	1913		1911-12-13 (average of 3 years)
	Un-registered Clubs	Registered Clubs	Registered and Unregistered Clubs
Number of Clubs for which Statistics are available	89	19	88
Total Membership	2,997	1,370	3,804
Total Number of Animals Insured	6,417	4,443	9,882
Number of Animals on which claims were paid	158	92	257
Percentage of Insured Animals which died	2.46	2.07	2.6
Total Amount of Insurance Contributions and Levies	£2,008	£859	£2,540
Average Total Income per Animal Insured	7*s.* 5*d.*	5*s.* 1*d.*	—
Total Amount paid on Claims	£1,480	£875	£2,324
Average Amount actually Paid per Animal which died	£9 7*s.* 0*d.*	£9 10*s.* 0*d.*	£9 1*s.* 0*d.*
Average Total Expenditure per Animal Insured	5*s.* 10*d.*	4*s.* 6*d.*	—
Total Amount of Reserve Funds	£7,306	£4,563	£10,357
Average Amount of Reserve per Club	£82	£240	£118
Average Amount of Reserve per Animal Insured	£1 3*s.* 0*d.*	£1 0*s.* 0*d.*	£1 1*s.* 0*d.*
Number of Years Average Losses in hand	4	4 ½	4

Of the societies reporting at the end of 1913, 10 societies had more than 100 members and several had less than 20, the average over 116 societies being 39 members per Society. They insured an average of 94 cows and calves. Six societies insured more than 300 animals each and several less than 20. The average number of animals insured per member was only 2.5 so it is clear that the great majority of the members must be small men insuring only a few animals apiece.

The largest society and one of the most successful is that at Whixall in Shropshire which was founded in 1842 and now has 298 members insures 1,395 cows and calves and has a reserve fund of £1,341.

§ 5. Registered clubs.

Considerably fuller statistics are available for the registered societies and it may be valuable to study in greater detail the results of their experience for the last three years taken together.

The Casualty Rate. — These societies all pay insurance claims on insured cows or calves which die or have to be slaughtered in consequence of any disease or accident. According to the experience of these three years, for an average number of 4,533 animals, a well managed society in healthy surroundings may expect a death-rate of about 2.4 % per annum.

Amount Payable per Casualty. — The practice of societies in this respect varies considerably. Some pay the full value of the animal at the time it dies or falls ill, subject to a maximum, others only pay a certain proportion of its value, such as five-sixths or four-fifths. From three years experience it appears that a society may expect to have to meet a net loss of about £8 10s. per animal that dies, this being a net loss of 4s. 1d. per animal insured.

Amount of Premium Paid. — For an average over three years of 4,333 animals insured, an average of £916 was received in insurance contributions and levies from members, this being an average of 4s. 1d. per animal insured. That is to say, the income from contributions practically equalled the net loss, leaving as clear profit the interest received from the invested reserve funds.

Management Expenses. — These registered societies are required to keep a separate account of the insurance fund and of their management expenses. Thirteen societies report their cost of management for the year 1913 as £84 of which £62 was spent on salaries. As these societies insured among them 4,033 animals, the management expenses averaged only 5d. per animal per annum. This very small expenditure on administration shows how economically these clubs are managed and is due chiefly to the fact that the members of committee give their time and trouble without remuneration, and that the secretary and markers are content with quite small salaries.

§ 6. Model rules.

As stated at the beginning of this article the Board of Agriculture after studying the system of working of the most successful existing clubs, have now issued sets of Model Rules for the use of those who may wish to form fresh clubs. Alternative sets have been prepared for registered and unregistered rural co-operative cow insurance societies. In accordance with the experience summarised above it is suggested in these rules that

the members should pay an insurance contribution of 5s. per annum and a management contribution of 1s. per annum per animal insured. In return it is considered that a club adopting these rules will be in a position to pay compensation on each insured animal that dies, reckoned at four-fifths of its value at the time it fell ill, up to a maximum of £12 in each case, for it is expected that its average casualty-rate will be, on the experience of existing clubs, about 2 ½ % per annum; and the average amount payable per animal which dies, less than £10. If this scale of charges is adopted a new club might hope, with careful management, not only to pay its way but gradually to build up a reserve fund. Such a fund would not only be a safeguard to the members against their ever having to make a levy amongst themselves to meet the losses of exceptionally bad years, but might eventually also enable the rate of insurance contributions to be reduced after an adequate reserve had been accumulated.

Conclusion.

Various writers on co-operation have, from time to time, laid special stress on the desirability of societies, working on lines such as those on which these English cattle insurance clubs work, to form some kind of a federation amongst themselves, so that not only could the individual members of a society protect themselves against loss by combining with one another, but that the different societies might also club their liabilities together in the same way. It will have been gathered from what has been written in regard to both the cow and the pig insurance clubs that they have been content to carry on their affairs in their own way, without very much regard to other similar clubs which might be in existence, and each to work out for itself its own salvation. No federation exists between the clubs but, since their investigation into the general position, the Board of Agriculture have made arrangements with the Agricultural and General Co-operative Insurance Society for a system of reinsurance of part of the risks of the local clubs. This Insurance Society has its headquarters in London, undertaking farmers' and general agricultural insurance in all parts of the country, and it offers very favourable terms to nny local clubs who may care to re-insure part of their risks with a large organisation.

In conclusion, and if anything further is needed to emphasise the benefits conferred on their members by these small cattle insurance clubs, we think we cannot do better than quote the concluding paragraph of an article on the Soham Cattle Club, which appeared in a recent number of the *Journal of the Board of Agriculture*. This is one of the few clubs which also insures horses, but the measure of success which has attended its work over a period of 40 years is very typical of the great majority of these little associations.

"The fact remains that this society of small holders, entirely dependent on its own resources and management, has for many years insured its members' cattle and horses from death by disease and accident from a fortnight old up to any age, on payment of an insurance contribution never exceeding 3 per cent. per annum on the amount payable in case of death and of a management contribution of 1s. 4d. per member per annum (equivalent to less than 6d. per animal insured); while, if the members had individually insured their animals with an ordinary live stock insurance company, they would have had to pay as premium at least 7 ½ per cent on their dairy cows and 5 per cent. (for animals owned singly) on their farm-horses in the prime of life, while the rates charged on the very young or very old animals, now insured by the Club, would have been prohibitive, and an extra charge would have been made to cover foaling risks. Meanwhile the Club has accumulated a reserve fund, which now amounts to £534. It thus affords an excellent example of the success of the co-operative insurance of live stock, worked by the small stock-owners themselves."

MISCELLANEOUS INFORMATION RELATING TO INSURANCE AND THRIFT IN VARIOUS COUNTRIES.

FRANCE.

CENTRAL FIRE INSURANCE INSTITUTE OF THE CENTRAL UNION OF FRENCH FARMERS' SYNDICATES IN 1914. — On the 31st. of December, 1914 the number of Regional Institutes affiliated to the Central Institute was 15, and the number of local organizations affiliated to them was 2,860, or 109 more than in the preceding year. The amount assured by them was 688,032,013 fr., showing an increase of 87,441,800 frs. and the number of policies was 59,756, showing an increase of 6,417. The average amount assured per local institute was 240,570 frs., as against 218,317 fr. in 1913 ; the number of policies per local institute was 20.88, as against 19.2 in 1913. Finally, the average amount per policy was 11.52 frs., as against 11.26 frs. in 1913.

The situation of the Central Institute on December 31st., 1914 was as follows:

Share in the risks assured : 146,663,506.81 fr., or 21.32 % of the total, as against 21.12 % in 1913. This amount represents annual contributions of a total value of 150,331.87 fr.

The balance sheet for December 31st., 1914 showed the following figures:

Credits.

General Society, Capital in Deposit	2,728.08
Savings Bank.	13,628.97
Bank of Burgundy and Franche Comté.	420.—
Bank of the South East.	1,698.05
Securities in Deposit (Purchase Price).	123,715.60
South East Mutual Credit Institute (Current Account) . .	23,045.23
» » » (Loans Account) . .	52,625.50
Balance Due on Interest Account, 1914	360.—
	218,221.43

Debits.

Regional Institutes	23,772.22
Staff	1,475.—
Provision to meet Claims in Course	7,200.—
Regulation Reserve Fund	30,000.—
Floating Reserve Fund	60,168,60
Reserve Fund to meet Fall in Value of Securities	8,025.—
	130,640.82

Credit Balance for the Year : 87, 580.61 fr.

The Profit and Loss Account for the year 1914 showed the following figures :

Revenue.

Contributions for the Year	147,093.01
Interest on Deposits	6,317.42
	153,410.43

Expenditure.

Claims of the Year	52,942.21
Claims of Preceding Years	141.14
Costs of Inspection	348.90
General Expenditure	5,197.57

Provision to meet Claims in Course :

Regional Bank of the East	6,000	7,200.—
Regional Bank of Burgundy and Franche Comté	100	
Pyrénées and Landes Regional Bank	1,100	
		65,829.92

Credit Balance for the Year : 87,580.61 fr. :

Of this 25 % or 21,895.15 fr. was placed to the reserve funds of the Central Institute, and 75 % or 65,685.46 fr. was returned to the regional banks as rebate in proportion to the gross amount of their contributions. The amount of 21,895.15 fr. placed to the reserve funds was divided as follows :

1°. To the Floating Reserve Fund	10,000.00 frs.
2°. To the Reserve Fund to meet Fall in Value of Securities	11,895.15 frs.

Consequently, the amounts of the various reserve funds reached the following figures :

Regulation Reserve Fund.	30,000.— frs.
Floating Reserve Fund.	70,168.60 »
Reserve Fund to meet Fall in Value of Securities .	19,920.15 »

As the amount of the contributions to the Central Institute increased in 1914 to 147,093.01 fr. and its proportion of the losses through claims (including appraisers' expenses) was 52,942.21 fr., the proportion of these losses to the contributions was 35.99 % as against 29.6 % in 1913. (Taking into account the provision to meet claims in course, the percentage rises to 40.88).

(Summarised from the *Bulletin de l'Union Centrale des Syndicats des Agriculteurs de France*, July, 1915).

SWITZERLAND.

Co-operative horned cattle insurance societies of the canton of ticino. — In 1914, the Co-operative Horned Cattle Insurance Societies, subventioned by the Canton and the Federation, were 48 in number as against 44 in 1913. The number of head of cattle insured was 3,093, and their value 2,099,474 frs. The premiums paid amounted to 26,718 frs. and the grants from the Canton and the Federation together amounted to 10,622 frs.

In a number of more than 3,000 head, insured in round numbers for 2,000,000 frs., there were 194 cases of death, for which 33,729 frs. were paid in claims, the total estimated value of the cattle dying being 58,383 frs.

Besides the claims on account of death, there were 15 cases in which claims were paid for depreciation in value, amounting altogether to 607 frs.

The premiums vary from 1 fr. to 3 frs. per cent of the assured amount. We may say that the average premium is about 1.50 frs. per cent. of the value assured. The expenses are thus insignificant, above all when we remember that private insurance societies charge from 10 frs. to 15 frs. per head of cattle. Insurance in these co-operative societies never costs so much.

(Summarised from the *Agricoltore Ticinese*, Locarno, May 15th., 1915).

Part III: Credit

ARGENTINE REPUBLIC.

THE NATIONAL AGRICULTURAL BANK.

SOURCES:

EL BANCO AGRÍCOLA DE LA NACIÓN (*The National Agricultural Bank*). *Revista de Economía y Finanzas*. N. 9. Buenos Ayres, July 5th., 1915.

EL PROYECTO DE BANCO AGRÍCOLA: ALGUNAS OBSERVACIONES (*The Proposed Agricultural Bank: Some Remarks*). *La Argentina Económica* No 115. Buenos Ayres, July 11th, 1915.

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THE ECONOMIST, Nos. 3,754 and 3,757. London: August 7th. and 28th., 1915.

LA NACIÓN. Buenos Ayres, July and August, 1915.

In the Argentine Republic, a country predominantly agricultural and still in process of colonisation, the want has long been noted of some organisation, either official or private, which, by providing the farmer with credit, would help him to play his part in the development and encouragement of the agricultural industry. Of this we have already had occasion to speak several times in this *Bulletin*, and, accordingly, we shall not repeat what we have said on those occasions (1).

It will suffice to remind the reader that one of the principal causes of the agricultural depression which for some time past has been noted in

(1) See the issues of August 1911; April and June 1912; July and October, 1913, and June 1915.

the country, is the want of circulating capital, especially amongst the farmers, aggravated by a defective credit system. Direct agricultural credit, it may be said, does not exist. Between the farmer and the bank there is a series of intermediaries — forestallers, warehousemen, etc. — whose methods in the end affect the crop, since they form a system of usury, which ruins the farmers in bad years.

The National Agricultural Bank, which has just been established with the object of providing a suitable organisation for agricultural credit and of furnishing the farmer at moderate rates with the circulating capital which he requires, will, to this extent, supply one of the needs most strongly felt by the rural population of the Argentine Republic.

Before proceeding to describe the organisation and objects of this new credit institution, it will be desirable to indicate briefly the proposals which preceded it, in order to be able to compare the principles followed in those proposals with those upon which the newly-established organisation has been based.

§ 1. Previous bills and the bank established.

Notwithstanding its importance, it may be said that the question of agricultural credit did not begin to be discussed by the public authorities until the year 1899. The Ministry of Agriculture had been established the year before by the Convention which revised the constitution of the Republic, and Dr. Frers, who was the first Minister of Agriculture, appointed a Commission to study agricultural credit guaranteed by pledge or personal security, the establishment of co-operative societies or companies for the purpose of providing it, and the amendment and extension of the legislation relating to the matter.

From that time onwards various bills have been submitted to the discussion of the Argentine Parliament, with a view to finding the precise form of rural credit most suitable to the conditions of the country. Amongst these deserve to be mentioned that of Senator Uriburu on rural credit societies, that of Sr. Vivarés for the establishment of a Rural Bank, those of Srs. Lahitte and Martínez on co-operative societies, and particularly those presented by the ex-minister, Sr. Lobos, and by Sr. Frers (of whom we have spoken above) on the establishment of an Agricultural Bank.

But in tracing this slight sketch of the parliamentary efforts in favour of agricultural credit, it is necessary to mention also, besides the bills noted, the two acts of 1914 on warrants and agricultural pledge (1). By these, in view of the urgency of the question of agricultural credit and of the fact that, on account of the difficulties involved in putting them into execution, or for political or administrative reasons, none of the bills aiming at the creation of a general organisation for rural credit had been passed into law,

(1) See the issue of June 1915 of this *Bulletin*.

the Public Authorities decided to introduce the system of warrants and agricultural pledge, based on the goods and industrial values at the farmer's disposal, in order to stimulate the flow of private capital until such time as a special fund might be available for supplying agricultural credit.

It will be seen, then, that in the short space of sixteen years the Argentine Parliament has been fertile in private members' bills proposing to solve the question in a general manner by various methods (rural credit societies, central banks, etc). and that finally the Public Authorities, not being able to solve the question as a whole in a manner befitting its urgency, took measures which might, at any rate, improve the position of rural credit business.

Though suggested by the previous proposals, the institution proposed by Senator Davila and approved by Parliament has the special characteristic, upon which depend its form and organisation, of being a State institution.

The Bank proposed in 1913 by Sr. Frers (whose bill was one of the most complete) would have had a capital of 100,000,000 pesos, divided into 2,000,000 shares of 50 pesos each. The State was to subscribe half of these shares, the other half being open to subscription by private capitalists ; thus the undertaking would have found itself obliged to offer a dividend and to watch carefully the prices at which its shares were quoted.

This organisation, therefore, was subject to two serious defects, which would have paralysed the efficiency of its working — in the first place, the impossibility of obtaining private capital, absorbed by more profitable investments, and secondly, the too direct influence of the general money market on agricultural credit.

Thus, then, in laying down the lines of the Bank now established, it has been endeavoured to avoid, as far as possible, any such causes of difficulty. Above all, it has been thought desirable that its functions should be in harmony with the requirements of the industry, which it was not only to serve, but to support and encourage. In attempting to organise rural credit, it was not, therefore, a question of promoting a private banking business, a form of credit transactions, the lending of capital for a given industry, but of providing for the development of that industry, enlarging its sphere of action and increasing its profitableness. Thus, then, the proposed Bank was to have for its object the development, by every means, of the agricultural and stock-raising industries, and not that of the banking business.

Accordingly, both by reason of the purpose of the institution and on account of the necessity of removing it from the influence of the fluctuations of other kinds of credit, always dependent upon the conditions of the foreign markets, it was thought fit that the Bank should be established with the character of a State institution, as we shall now see.

§ 2. Object and organisation of the National Agricultural Bank.

The National Agricultural Bank will have as its principal objects: (*a*) to encourage the agricultural and stock raising industries and colonisation (1); (*b*) to promote the organisation of rural co-operative credit societies and agricultural banks in the provinces and national territories, entering into credit relations with these institutions in order to facilitate the development of the operations which form their object. Colonisation will be carried out by the division of lands and their assignment to applicants by sale or on lease.

As general operations of the Bank, the following are indicated:

(1) To discount the bonds of rural co-operative credit societies and agricultural banks; such discounts to be for a period not longer than three years and at a rate to be agreed upon.

(2) The Bank alone will be empowered to discount agricultural or stock-raising credit instruments presented and endorsed by the institutions which maintain commercial relations with it.

(3) To make loans on mortgage or personal security to farmers and stock-owners, for periods to be agreed upon and at such rates of interest as the Directors may decide.

(4) To grant loans on agricultural warrants or any instrument representing an agricultural or stock-raising pledge (2).

(5) To receive deposits on current account and accept drafts or other payment orders, home or foreign.

(6) To co-operate in the colonisation which the provinces may undertake on the basis of the programme of the Bank, and in accordance with the agreements which it may make with their respective governments.

(7) To undertake the colonisation of the public lands which the Executive Authority may assign to it upon its request.

(8) To issue bonds with the authorisation of the Executive Authority.

(1) Unlike the institution now created and that proposed by Dr. Lobos, whose bill is considered one of the best of the private members' bills, the Bank proposed in 1913 by Sr. Frers would not have included colonisation amongst its objects, this being a function which its author proposed to entrust to another institution (Bill on Argentine National Bank of Colonisation, Journal of the Sittings of the Chamber of Deputies, 1912, Vol. II, page 186). On this point Sr. Frers expresses himself as follows: "I consider that it is a very grave error to combine in one undertaking a credit institution and a colonisation institution. An agricultural bank and a bank of colonisation have no feature in common except the commercial nature of their constitution. The one is an institution supplying strictly banking credit; its programme is limited to that. The other can only be called a bank in virtue of the form of its organisation; its programme has to be of an extraordinary complexity." Although these arguments were justified inasmuch as the bank proposed by Sr. Frers was strictly *commercial* and lose some of their force as applied to the Bank now established, which is a State institution for the encouragement of agriculture, practical experience will show to what extent these views were correct.

(2) See the issue of June 1915 of this *Bulletin*.

The capital of the National Agricultural Bank will be formed by: (*a*) the sum obtained by the issue, to be made by the Executive Authority, of 50,000,000 pesos of public funds at 5 % interest with 1 % sinking fund; (*b*) the transfer to it of the real property forming the assets of the National Bank (in liquidation) and the sums resulting from the sale or lease of it (1) In analysing the constitution of the new Bank, some organs of the economic press of the country do not hide the fact that they have little confidence in the result of the loan mentioned, pointing out that it is being issued at the modest rate of 5 % in a market where money costs 8 % and mortgage-bonds at 6 % already exist.

The law which creates the Agricultural Bank at the same time authorises the Argentine National Bank to open a credit in its favour up to 20,000,000 pesos to enable it to begin operations, on the security of an equivalent quantity of bonds of the issue of which we have spoken. The conditions of this guarantee, as well as the rate of interest to be charged upon this credit (which must not exceed 4 % per annum) are to be fixed by agreement between the directors of the two institutions and with the approval of the Executive Authority.

The Agricultural Bank will be administered by a President and six Directors, nominated with the approval of the Senate. The President will enjoy a fixed salary and the Directors will be paid fees proportionate to the number of their attendances in each month. All will be personally and jointly liable for the operations of the bank which they authorise and they will form the Board of Directors of the Bank. Besides its administrative functions this Board of Directors will have the following attributes and duties:

(1) To promote the formation in the provinces and national territories of co-operative credit societies (rural credit societies, agricultural banks), whether local or regional;

(2) To inspect such institutions and inquire into their rules;

(3) To provide them gratuitously with such publications and information as may be necessary regarding their organisation, etc.;

(4) It will be empowered to utilise the credit societies and regional banks which work in accordance with these arrangements, as its own agents in the localities where there are no branches of the Agricultural Bank.

Besides the ordinary forms of leasing and sale, the Bank will be empowered to lease colonisation lots for a period of 10 years under the following conditions: (*a*) the lessee will undertake the cultivation and exploitation of

(1) The National Bank, as well as the Bank of the Province of Buenos Aires and the Mortage Bank of that province, failed on the occasion of the shock produced by the Revolution of 890, owing to defects in its organisation and management. The rapid increase in the value f land in the Argentine of late has caused the liquidation of the old National Bank to result 1 a surplus. The real property which forms this surplus, and the sums resulting from the sale r lease of it, are to form part of the capital of the Agricultural Bank with which we are ealing.

the lot, on such conditions as the Directors may determine, under penalty of the rescission of the contract ; (*b*) during the term of the contract, the lessee will not be able to assign his rights without the previous authorisation of the Directors ; (*c*) the accumulation of lots will be prohibited, except in the case of inheritance ; (*d*) the rent payable under the lease shall in no case exceed 7 % of the value which the Directors may assign to the land in the deed of contract ; (*e*) on the expiry of the contract the lessee shall have the option of extending it for ten and five years successively ; if the Bank should have decided to sell the lot, the lessee shall have a preferential right to buy it.

The Bank must establish a branch in the capital of each province and in such other places as the Directors may think desirable.

The law by which it is established provides that the State shall be directly liable for all the deposits and the operations carried on by the Agricultural Bank.

Finally all the operations and contracts to which the Agricultural Bank is a party will be exempt from stamp duty, whatever their nature or the value involved; in like manner, the Bank will be exempt from the payment of all national, provincial or municipal taxes. The same privilege will be enjoyed for 10 years by the rural credit societies, co-operative credit societies and agricultural banks.

ITALY.

THE WORK OF THE SPECIAL AGRICULTURAL CREDIT INSTITUTES IN 1914.

SOURCES:

BANCO DI NAPOLI. — CASSA DI RISPARMIO. — CREDITO AGRARIO. Relazione sull'esercizio 1914 (*Bank of Naples. — Savings Bank — Agricultural Credit Department. Report for the Year*, 1914). Naples, 1915.

BANCO DI SICILIA: Rendiconto del Consiglio di Amministrazione sul servizio del credito agrario e bilancio consuntivo, esercizio 1914 (*Bank of Sicily: Report of the Board of Management on the Agricultural Credit Department with Balance Sheet, for the Year*, 1914). Palermo, A. Giannitrapani, 1915.

CREDITO AGRARIO PER IL LAZIO. Relazione sull'esercizio 1914 (*Agricultural Credit Institute for Latium. Report for the Year*, 1914). Rome, R. Garroni, 1915.

CASSA PROVINCIALE DI CREDITO AGRARIO PER LA BASILICATA. Relazioni sull'esercizio 1915. (*Provincial Agricultural Credit Bank for Basilicata. Report for the Working Year*, 1915). Potenza. Garramone and Marchesiello, 1915.

ISTITUTO DI CREDITO AGRARIO PER LA LIGURIA: Rendiconto dell'esercizio 1914 (*Agricultural Credit Institute for Liguria: Report for the Working Year*, 1914). Oneglia. Arti grafiche, Fratelli Berio, 1915.

FEDERAZIONE PER IL CREDITO AGRARIO NELL'UMBRIA: Relazione del Consiglio federale per l'esercizio 1914 (*Federation for Agricultural Credit in Umbria: Report of the Federal Board for the Year*, 1914). Perugia, Tip. Benucci, 1915.

In the present article we shall consider the work done in 1914 by the special agricultural credit institutes, that is to say by the Institutes of regional character authorized by special laws for the granting of this form of credit. The most important of these laws are those of July 7th., 1901, authorizing the savings bank of the Bank of Naples to grant agricultural credit in the Southern Provinces of the mainland of Italy and in Sardinia, and that of March 29th., 1906, which instituted a department for the grant of such credit in connection with the Bank of Sicily. We may also mention the laws of December 21st., 1902, March 31st., 1904 and June 25th., 1906, relating respectively to agricultural credit in Latium, Basilicata and Calabria, etc.

The fundamental principle of this legislation is that agricultural credit is not granted directly to the farmers but through minor local institutes, and by preference institutes of co-operative form, styled in consequence *intermediary organisations* (rural and agricultural banks, agricultural consortiums, people's banks etc.).

Exception is only made in the case of those communes, in which there is no local institute or in which the institute existing does not inspire confidence, or is not working : in such communes indeed loans may be granted with due precautions, to farmers directly.

Italian legislation has followed this system, on the reasonable supposition that only *local institutions* possessing immediate knowledge of the men and the circumstances are in a position to estimate the financial situation of each farmer, especially of the small farmers and, what is of greater importance, to see that the amounts lent are really employed for purposes of agriculture.

Therefore the special agricultural credit institutes carry on active propaganda for the foundation of intermediary organizations, endeavouring to ensure their good working by means of the distribution of model rules, of guides to bookkeeping and inspections. The rural banks, large numbers of which have been founded in recent years in the South of Italy and in the islands, are a result of this propaganda (1). When we show the results of the agricultural credit business in 1914, we shall have an opportunity of pointing out the progress made by them in various regions.

§ 1. The savings bank of the Bank of Naples.

The report on the agricultural credit business of the Bank of Naples shows in the first place the continual increase in the number of intermediary organizations ; in fact they increased from 1,750 in 1911 to 1,855 in 1912, to 1,963 in 1913 and 2,080 in 1914 ; but the number of those considered "good", that is to say that can be relied on for this delicate form of credit business, increased during the same period from 868 to 938, and then to 1,044 and to 1,149. These latter may be classified as follows :

(1) The second part of the above report of the savings bank of the Bank of Naples expressly deals with the results obtained by the propaganda in favour of the foundation and organization of the intermediary institutes. The Board provides for this unintermittently by means of its own functionaries, and particularly by means of a special inspector, and, in spite of the lack of the spirit of association, of the ignorance of the agricultural majority, of difficulties and scepticism, the results are satisfactory. Last year 73 new agricultural banks were founded in the provinces of the Southern mainland and 46 in Sardinia : altogether 119. Between August, 1909, when the Bank sent out the new model rules for this class of institute, and December 31st., 1914, 396 new agricultural banks hawe been founded, 242 in the Southern mainland provinces and 154 in Sardinia. In 1914, 24 intermediary institutes were inspected, namely 9 agricultural consortiums, 13 agricultural and rural banks and 2 agricultural loan banks.

Agricultural and Rural Banks	415
Monti "frumentari" and "nummari" in Sardinia	288
People's Banks	158
Agricultural Consortiums	130
Agricultural Loan Banks	116
Savings Banks	15
Mutual Aid Societies	10
"Monti frumentari"	8
Independent Provincial Agricultural Credit Banks	6
Agricultural Credit Societies	3
	1,149

Of these 1,149 "good" institutes, 130 (120 of which are People's Banks) have credits open to them at the Bank for their ordinary discount business; and as many as 406 are associations with unlimited joint and several liability, largely owing their origin to the assiduous propaganda of the Bank for the constitution of agricultural banks, and scattered all over the Southern provinces and Sardinia: the province of Cagliari comes first with 124 banks, next comes Aquila with 47, then Salerno with 34 and Caserta with 32.

At the end of 1914, 687 institutes had been registered in the register for credits opened, for 26,003,600 frs.; 244, registered for 6,953,000 frs., being agricultural and rural banks, 148, registered for 7,352,000 frs., people's Banks and 93, registered for 8,184,500 frs., agricultural consortiums.

The loans made by the Bank in the above year, not including renewals, amounted to frs. 13,934,159 (3,941,820 frs. out of its own funds and 9,992,340 frs. out of those of the provincial agricultural credit banks). The total amount of rediscounts was 10,933,853 frs., that of the direct loans to farmers 565,758 frs. and the direct discounts for intermediary institutes amounted to 2,434,548 frs. (1).

In thirteen years the agricultural credit department of the Bank of Naples' Savings Bank had distributed 74,000,000 frs., 44,000,000 frs. (58.82 %) through agricultural consortiums and 16,000,000 frs. (22.38 %) through agricultural banks.

In spite of the difficulties presented by the financial market, the rate of interest has remained unvaried, at 3 ½ %, for the rediscount and direct discount business transacted with the intermediate societies and at 4 % for business transacted directly with farmers: the intermediate institutes, for their part, in granting loans have charged interest varying from 3 ½ % to 5 %, most usually 5 % and 5 ½ %.

(1) With regard to the classification of the credits, it is enough to say that, out of 23,015 loans, 3,791 were for amounts less than 100 frs.; 11,107 for amounts between 100 and 500 frs., and 3,386 for amounts between 500 and 1,000 frs.; that is 93 % of the loans and 55 % of the total amount represented transactions for less than 1,000 frs.

The rediscounts and direct loans may be classified as under, according to their object :

1. *Loans with Legal Preference.*

	Number	Frs.
For Harvest	522	286,849.20
» Cultivation	7,448	2,880,169.37
» Seeds	3,908	2,454,144.59
» Manure	3,656	775,771.71
» Anticryptogamic Material	2,246	283,280.26
» Food for Metayers and Labourers	26	4,718.85
» Various Purposes . . .	2,386	1,280,693.73
	20,192	7,965,567.71

2. *Loans without Preference.*

	Number	Frs.
For Large Livestock	2,434	1,707,432.50
» Small Livestock	359	109,785.50
» Machinery	622	209,241.15
» Farm Implements.	87	16,037.40
» Dead Stock	34	16.295.10
» Various Purposes	15	12,802.40
	3,551	2,071,594.05

3. *Loans with Preference by Agreement.*

	Number	Frs.
For Large Livestock . . .	2	4,000.00
» Machinery	7	7,993.45
	9	11,993.45

4. *Loans on Deposit of Agricultural Produce.*

	Number	Frs.
On Cereals	150	1,375,015.99
On Wine	13	75,440.00
	163	1,450,455.99

The loans with legal preference represent 69.27 % of the total credit granted to the farmers ; those without preference, 18.02 %, those with preference by agreement, 0.9 % and those on deposit of agricultural produce, 12,62 %.

Of the loans 13,607 for 6,109,991.59 frs. (53.13 %) were granted to proprietors working their farms ; 9,079 for 5,053,733.46 frs. (43.95 %) to tenant farmers ; 846 for 186,108.61 frs. (1.62 %) to tenants by emphyteusis and lastly 383 for 149,777.54 frs. (1.30 %) to metayers.

The direct discount was given in 254 cases, to the amount of 1,889,597 frs., for collective purchases, in 14 cases, to that of 206,237 frs., for collective sales and in 135 cases, to that of 338,714 frs., to make up the capital of the intermediary organizations ; almost all on the proposal of the agricultural consortiums and rural banks, in the proportion of one third and two thirds respectively.

Finally, the total credit granted in 1914 by the Savings Bank of the Bank of Naples was distributed among the various provinces as follows :

Credit Granted to each Province in 1914.

	Amount — Frs.
Foggia	4,842,846.66
Aquila	1,210,542.76
Bari	1,143,001.86
Caserta	1,090,009.98
Lecce	786,736.15
Sassari	755,274.26
Salerno	739,946.73
Teramo	691,861.14
Reggio	527,201.00
Campobasso	420,000,79
Catanzaro	372,415.85
Potenza	274,118.15
Benevento	219,584.08
Naples	208,925.05
Chieti	191,025.61
Cagliari	186,011.76
Avellino	185,249.30
Cosenza	89,408.27
	13,934,159.40

Thus the work of the Naples Bank in connection with agricultural credit in 1914 was rather considerable and beneficial, in bringing relief to the farmers in the South and in Sardinia, who had suffered from the prolonged drought that in certain agricultural regions had led to exceptional want.

§ 2. THE AGRICULTURAL CREDIT DEPARTMENT OF THE BANK OF SICILY.

As we know, the grant of agricultural credit in Sicily is entrusted to a special department of the Bank of Sicily, which transacts this business, like the other institutes of the same character, through the medium of other organizations.

Of these intermediary organizations on December 31st., 1914, there were 335 (against 233 in 1913). We may classify them as follows:

Co-operative Agricultural Societies for Production and Labour	133
Agricultural Banks (Societies)	91
Agricultural Banks (Incorporated Bodies)	8
Rural Banks	47
Agricultural Consortiums	20
"Monti Frumentari"	12
Agricultural Banking Institutions	11
People's Banks	4
Agricultural Associations	7
Co-operative Wine Societies	2
	335

On December 31st., 1914, these organizations had 58,719 members, the assets of the organizations amounted to 3,673,711 frs. and the assets of the members, whose liability was unlimited, to 283,501,778 frs. The vast majority (270) are societies of collective title. Among the co-operative societies for production and labour, as many as 50, at the end of the year, were working collective farms, leasing an area of 42,449 hectares.

It will be interesting to consider how the agricultural credit organizations are distributed in the island. The following table shows the number of the intermediary institutes receiving credit in the different Provinces in comparison with the number of communes.

Provinces	Communes in the Province	Number of Organizations Receiving Credits
Palermo	76	62
Messina	97	28
Catania	50	24
Caltagirone	13	24
Girgenti	41	62
Trapani	20	54
Syracuse	32	31
Caltanissetta	28	50
	357	355

Of the 190 communes among which the 335 institutes registered in the register for credits opened were distributed, 99 had each only one intermediary institute, 63 had two, 18 had three, 6 four, 2 five and one had nine and another thirteen.

The credits opened by the Bank to these organizations increased from 17,880,218 frs. on December 31st., 1913 to 18,579,500 frs. on December 31st., 1914. The loans made were 39,286 and their amount was 13,746,159 frs., showing a decrease on the previous years, in the number of loans, of 9,426, and in the amount, of 1,882,471 frs.

This decrease is the result of a succession of bad harvests in the island in recent years ; the consequence has been a certain delay in payments, a tendency to renew loans in their entirety and to unite several loans in one transaction ; thus altering the character of the agricultural credit business profoundly. With the object of preventing these irregularities, the Bank has become stricter in its dealings with the intermediary institutes, and this limitation of the amount of business done has been the consequence.

The direct loans to private persons were 125 and amounted to 52,075 frs. ; the operations conducted with the intermediary institutes were 39,161 for an amount of 13,694.085 frs. (rediscounts to the amount of 9,734,465 frs. and direct discounts to that of 3,959,620 frs.).

The direct and indirect transactions we may distinguish as follows in regard to their object: I. for seeds, manure, anticryptogamic material, cultivation and harvesting, 38,004 transactions for an amount of 9.276,529 frs. ; II. for machinery, implements, live and dead stock, 885 for 510,011 frs. ; III. direct discounts for intermediate organizations, 397 transactions for an amount of 3,959,620 frs.

In regard to the profession or condition of the borrowers, the loans may be classified as follows :

	Number	frs.
Landowners	19,086	4,887,658
Tenant farmers	18,104	4,445,344
Metayers	965	249,031
Tenants by emphyteusis	734	204,506

In 1914 the rate of discount charged by the agricultural credit department was 4 %, while the intermediate institutes generally charged 6 %. The average amount of the bills discounted was 349.89 fr. as compared with 320.83 frs in 1913.

The various provinces shared as follows in the total credit granted in the year:

Provinces	Amount frs.
Trapani	2,857,712
Palermo	2,372,194
Caltanissetta	2,135,100
Girgenti	1,883,491
Caltagirone	1,856,195
Syracuse	1,590,084
Catania	648,819
Messina	402,564
Total	13,746,159

The above summary shows how the assistance granted to Sicilian farmers by the Bank of Sicily is in strict conformity with the duties entrusted to that important Institute by the law.

§ 3. Other special agricultural credit institutes.

The operations of the other special agricultural credit institutes working in Italy in the year 1914 may be seen in the following table. To make it complete we have included in it also the figures above given for the Banks of Naples and Sicily.

Agricultural Credit Granted in 1914 in Italy in accordance with the Regional Laws.

Balance of Loans at the End of 1913	Name of Institute	Loans to Intermediate Institutes	Direct Loans to Farmers	Total	Balance of Loans at End of 1914
4,020,380.32	Bank of Naples. out of its own Funds	3,861,119.82	80,700.00	3,941,819.82	3,211,815.46
3,859,378.95	Bank of Naples. out of Funds of the Provincial Banks.	9,507,281.73	485,057.85	9,992,339.58	6,412,703.55
6,729,837.58	Bank of Sicily . out of its own Funds	8,305,924.58	23,575.00	8,329,499.58	5,192,425.88
3,913,561.45	Bank of Sicily . out of Funds of the Provincial Banks	5,388,160.20	28,500.00	5,416,660.20	4,168,712.84
2,387,723.47	Agricultural Credit Institute for Latium	5,195,827.80	864,439.15	6,060,266.95	2,586,870.39
348,827.50	Agricultural Credit Institute, Vittorio Emanuele III — Catanzaro	20,000.00	397,579.50	417,579.50	569,922,00
500,786.27	Agricultural Credit Institute, Vittorio Emanuele III — Cosenza	5,000.00	611,393.60	616,393.60	743,838.42
461,610.00	Agricultural Credit Institute, Vittorio Emanuele III Reggio Calabria (1)	50,000.10	313,205.00	366,205.10	548,305.00
2,060,892.65	Cagliari " Ademprivile " Bank	2,644,570.60	124,243.00	2,768,813.60	3,113,507.92
2,190,926.80	Sassari " Ademprivile " Bank	1,604,662.11	1,011,289.11	2,615,951.22	2,951,270.48
1,505,659.45	Provincial Agricultural Credit Bank for Basilicata	1,161,953.13	1,283,490.70	2,445,443.83	2,505,240.04
	Provincial Agricultural Credit Bank for Liguria	150,225.29	—	156,225.29	155,549.42
28,002,684.44	Total	37,903,725.36	5,223,472.91	43,127,198.37	32,160,263.40
	Total for the Year 1913			39,796,080.67	
	Balance in favour of 1914			3,330,217.60	

(1) The figures for the Agricultural Credit Institute, Vittorio Emanuele III, Reggio Calabria, are those for 1913, as those for 1914 are not to hand.

There are two other organizations we must mention, the Agricultural Credit Federations for Marche and for Umbria. These Federations were founded in accordance with law nº 7 of January 2nd., 1910 on agricultural credit for Marche and Umbria, with the duty of administering the fund assigned by the law for the grant of agricultural credit in those regions, amounting as we know to 700,000 frs. for Marche and 400,000 frs. for Umbria. But we have no information in regard to the work done by the Federation of Marche, though, with regard to that of Umbria, we know that of the 14 agricultural banks existing in the region, 10 had granted subventions in the form of bills to the amount of 74,354 frs. on December 31st., 1914 (against 28,543 frs. granted by 5 Banks in 1913).

In conclusion, in 1914, more than 43,000,000 frs. or about 3,500,000 frs. more than in 1913, were lent to the Italian farmers by the special agricultural credit institutes alone.

MISCELLANEOUS INFORMATION RELATING TO CREDIT IN VARIOUS COUNTRIES.

ALGERIA.

APPLICATION OF THE FRENCH LAWS ON INDIVIDUAL AGRICULTURAL CREDIT TO ALGERIA. — Three Decrees bearing date of March 25th., 1915 make the French laws on long individual agricultural credit applicable to Algeria, with the following reservations:

(*a*) The local and regional mutual agricultural credit banks desiring to conduct or facilitate long term individual credit business, must, at the date of presentation of their application for advances from the State, have already existed for at least twenty years and must be expressly authorized in their rules to conduct such business.

(*b*) The object of the loans shall be to facilitate the purchase, installation, transformation and reconstitution of small farms belonging to French owners or to French subjects, only in the case of farms subject to French law.

(*c*) The local credit banks granting individual long term loans may require from the borrowers, in addition to the security for which provision is made (opening of mortgage credit or life insurance policy), any other security they shall judge necessary, especially when the farms for which the loans are required have been converted into undistrainable homesteads.

(*d*) The conditions for repayment shall be established by the regional banks which shall take account of the yield from the various kinds of operations for which the loans are granted, and repayment shall be made in annual instalments.

(*e*) The refunds received by the local agricultural credit banks shall be paid over by them to their regional banks within a week from collection. The regional mutual agricultural credit banks shall in their turn pay into the Treasury, before the end of January, the amounts refunded to them in the preceding year. The special advances obtained by these banks must be fully repaid at the end of the twentieth year.

(*f*) These special advances made by Government to the regional banks may never amount to more than twice the share capital of the banks.

ITALY

NEW PROVISIONS FOR AGRICULTURAL CREDIT. — In the number of this Bulletin for January last we dealt with an important Decree no. 1,089 of October 11th., 1914, by which the Italian Government arranged temporarily to assist certain Institutes (ordinary savings banks and co-operative credit societies) in their agricultural credit business during the whole of 1915. Recently, the Government, in consideration of the necessity of extending the functions and facilitating still further the work of the agricultural credit institutes, by Decree of the Viceroy, no, 961 of June 17th., 1915, has extended the operation of the above Decree to December 31st., 1916, issuing the following new provisions :

The special preference claim conferred by art. 1,958, no 5 of the Italian Civil Code in connection with amounts due for seed and agricultural work and harvesting, on the profits of the harvest, is extended to those for manure, anticryptogamic material, remedies or insecticides, implements for ploughing and the manipulation and preservation of agricultural produce and the first treatment of this produce ; and in case of there being no harvest it shall extend to the next year's harvest.

This preference claim shall take precedence, in the order fixed by art. 1,960 of the Civil Code, immediately after that for credits for seeds.

In addition, the Institutes of issue are authorized to rediscount the bills and acceptances of the agricultural credit institutes created by special laws, the Institutes authorized by Royal Decree no. 1,089 of October 10th., 1914, as well as of the Unions and Federations of Agricultural Societies legally constituted according to the principles established by order of the Treasurer and the Minister of Agriculture, Industry and Commerce.

The rate of this rediscount shall be 1 % less than the official rate of discount.

The bills of the above Institutes may run even for more than four months, but not for more than six.

In addition, for the whole of 1916, the Minister of Agriculture, Industry and Commerce shall have power to authorize by Decree the immediate opening of geneal warehouses for agricultural produce or other goods.

The Institute of Agricultural Credit for Liguria (1) in Porto Maurizio is also authorized for the whole of 1916 to grant direct loans to farmers for periods of not less than three years and amounts of not more than 3,000 frs. to landowners in Liguria in order to provide their farms with drinking water and water for irrigation purposes and to change their methods of farming. The Institute may devote a total sum of not more than one fifth of its available funds to this work.

(1) See the article: " Agricultural Credit in Marche, Umbria and Liguria ", published in the number of this Bulletin for June, 1915, pp. 77 et seqq.

Finally, the Institutes of agricultural credit created by special laws are authorized to purchase agricultural machines for lease or sale to the *monti frumentari* of Sardinia, Basilicata and Sicily, agricultural consortiums, rural and agricultural banks, or even to individual farmers or associations of farmers.

The sale may be on credit. In that case the Institute shall be guaranteed by a preference claim on the machines to take precedence of any other.

The same preference rights in favour of the Institutes of agricultural credit granting subsidies shall form a charge upon agricultural machines purchased by means of credits granted for the purpose to the above mentioned organisations and farmers.

ROUMANIA.

RURAL LAND CREDIT IN 1914. — The Board of Management of the "Premier Roumanian Land Credit Society" has published a report of the situation and work of this society in 1914, from which it appears that the four years 1910-1913 formed the most prosperous period for Roumanian agriculture. As the economic life of Roumania is almost entirely dependent on the agricultural production, it is easy to explain the prosperity of recent years. The yield from the harvest necessarily influences the revenue from taxation and export dues.

After the peace of Bucharest which extended the territory and the prestige of Roumania, there followed a period of tranquillity, allowing of a more rapid economic advance and the realisation of a series of important agricultural reforms. At the end of May and the beginning of June, 1914 rust had considerably damaged the barley and oat crops and to some extent threatened the wheat harvest, which was only 8 hl. the ha., with an average weight of 73 kg. per hl., while in the preceding years the average yield had been 17 ½ hl. the ha., weighing 77 ¾ kg. per hl. In spite of the high prices paid for wheat and other cereals in 1914, most of the farmers, as they had neither reserve funds nor credit, were obliged to sell at low rates, so that it was certainly not the farmers who profited by the enormous rise in prices due to the present war, but rather a whole series of speculators.

On account of the war, the financial crisis has become more and more acute. The closing of the Dardanelles, the difficulty of importing the materials required for industry and commerce and the excessively high rate of exchange for payments abroad, have contributed to raise the price of industrial products, while, at the same time, in consequence of speculators monopolising the grain, the cost of living in the towns has risen extraordinarily. The Banks also have suspended the credits of which formerly they were too lavish. At present all feel the need of money, although the money circulation is larger than in the past, even in the most prosperous

years. Actually in 1913, the total circulation (gold, silver, nickel and bank notes) was 528,585,275 frs. ; whilst at the end of 1914 it was 675,644,979.50 frs. so that in 1914 it was 146,000,000 frs. more than in 1913. The banks, though more prudent in granting credits, have not diminished their business, as the following figures show, which represent the bills and acceptances and the anticipations on deposit and on mortgage of the 43 principal banks of the country on December 31st., of the two years 1913 and 1914.

December 31st.,	1913	1,149,700,000	frs.
» »	1914	1,229,700,000	»

showing a difference of about 80,000,000 frs. in favour of the second year. Consequently loans have increased, and this is largely due to the landlords. Why then, it will be asked are payments effected with such difficulty? On December 31st., 1911, the arrears of instalments due to the rural land credit society amounted to 6,412,528 frs. ; on December 31st., 1912, to 9,705,669 frs., on December 31st., 1913, to 11,176,197 frs. and on December 31st., 1914, to 16,770,289 frs. The cash balance was on December 31st., 1914, 68,016 frs. against 3,496,214 frs. on December 31st., 1911, and the value of the coupons matured on December 31st., 1914, was 10,786,899 frs. as against 6,279,004 frs. on December 31st., 1911.

The amounts collected by the society in the months July-November, 1914 were as follows: July, 1,679,191 frs.; August, 266,977 frs.; September 977,515 frs.; October, 3,504,938 frs.; November, 4,100,932 frs. As we see, after the declaration of war in Europe, the debtors of the rural land credit society suspended payment of their instalments Although the Board of Management of this institution disposes of means to compel payment of arrears (sale of land, distraint and sale of crops, the charge of interest on arrears) the measure habitually adopted by it in the last year, which is a very lenient one, is that of charging interest on arrears. The rate of such interest was 8 % up to August 1st., 1914; since then the Board of Management has been compelled to raise it to 10 %. Owing to this, many of the landowners who had fallen into arrears with their payments have now paid up to date, which is shown by the amounts collected since September, 1914.

The land bonds in circulation on December 21st., 1914, of a nominal amount of 467,585,964 frs. are secured on land that may be valued at more than 2,250,000,000 frs., share capital of an amount of 10,600,900 frs. and a reserve fund of 30,409,826 frs. of which 35,674,500 frs. are invested in bonds of the rural land credit society and the rural bank and in Government revenue bonds. The security therefore represents about five times the value of the society's bonds.

During the last year, in view of the excessive number of instalments due, the society did not desire to aggravate the situation by increasing the number of its bonds in circulation by new issues ; therefore, since the beginning of the war, the board of management has quite suspended its loan business. The price of rural land credit bonds, like that of other secur-

ities, has fallen appreciably, from 90 % and 91 % for the bonds to 5 %. Debtors who were unable to sell their bonds are keeping them until the circumstances are more favourable.

A new issue would further lower the price and render the situation of the money market more uncertain.

When, as a result of the collection of the instalments in arrear, the society returns to its ordinary situation, it may again grant loans.

The balance of the reserve fund at the end of 1914 was 25,073,600 frs. in securities and 5,336,226 frs. in cash, o altogether 30,409,826 frs., that is 6 % of the debt of the landowners, which is 467,613,834 frs.

The profit for 1914 was 806,056.69 frs., which added to the amount brought forward from the preceding yeai makes a total of 866,056.69 frs.

This profit was distributed as follows: 9 712,451 frs. as dividend to holders of bonds at 5 % ; 80,605.69 frs., to the members of the board of management and the directors and the balance 73,000 frs. carried forward to the next year's accounts.

The estimates for the year 1915 are a revenue of 1,398,000 frs. and an expenditure of 636,314 frs. (staff, 524,114 frs : material, 112,200 frs.) or a credit balanc. of 761,686 frs. Such was, briefly the situation of the " Premier Rural Land Credit Society " on December 31st., 1914.

(Summarised from the Report of the Board of Management of the " Premier Roumanian Land Credit Society " for 1914).

Part IV: Miscellaneous

BRITISH INDIA.

PARTITION AND CONSOLIDATION OF HOLDINGS AND RELAYING OF FIELD BOUNDARIES IN THE PANJAB.

By Sir JAMES DOUIE, K. C S. I.

The Panjab is in the main a country of small peasant landowners organized in village communities natural or artificial. An ordinary holding in the plains covers from five to ten acres. The fields of which it is composed do not lie in a single block, but are scattered over the area. The reasons for this arrangement, which is often inconvenient, are explained below. " Partition " has always held an important place in the revenue law and procedure of the province, but hitherto little consideration has been given to the advantages of " Consolidation " or " Restripement. " The law on the subject of Partition is contained in the 9th. chapter of the Panjab Land Revenue Act.

In the United Provinces, which occupy the upper part of the basin of the Ganges, and in the East and Central Panjab, the village community was a real part of the social organisation which the English found in existence when they took over the country. A village, big or little, had definite boundaries, a central inhabited site, arable land held in divided ownership, and a waste area, often very large, open to the use of the whole proprietary body and its dependents. Under Indian revenue law all the members of such a landowning community are jointly responsible for the payment of the land revenue assessment. The common pasture, like all other common property, was held in recognized shares, but so long as it remained undivided, its use was without stint, no limit being placed on the number of cattle which an individual proprietor could graze, or, what is more curious, on the amount of pasture which he could convert into arable for his own profit. The Panjab pastures are generally, of poor quality, and fodder crops play a large

part in the agriculture of the province. The more land was brought under the plough, the easier, speaking broadly, was it to meet the demands of the Raja as supreme landlord for his rent or revenue. The above was the tenure with which the first settlement officers in the Panjab were familiar, and they imposed it even in the south-west of the province, where the communal village did not exist. In that arid tract cultivation outside the river valleys was impossible without artificial irrigation. In the dry uplands the real unit of ownership was the well. The well holdings were scattered over a vast area of waste in which boundaries were not recognized, and over which the cattle of the cultivator and the flocks and herds of nomad shepherds and nomad owners of horned cattle and camels grazed and browsed at will. Instead of accepting this tenure as they found it, our officers formed estates of groups of wells to which they assigned an ample area of waste as common property. The surplus waste they claimed as the appanage of the State.

In old days when a body of tribesmen or peasants, by permission of the ruler or otherwise, settled on a vacant tract of land, they sooner or later proceeded to divide among heads of families according to definite shares the parts of the area most easily culturable. The guiding rule was the democratic one of complete equality. One way of securing this in northern India, as in other countries, was the periodical redistribution of land. The right to enforce this where it is in accordance with established custom is recognised by Panjab revenue law. Cis-Indus the custom has nearly died out and may never have been widespread. It survives in a few estates in the south-east of the province (1). Some of the Pathans in British territory adjoining the Western frontier carried out periodical redistribution within recent times, and beyond the border among the semi-independent tribes to the north of the Peshawar district the custom was very much alive a dozen years ago. Sir Henry Mc Mahon, the present representative of British authority in Egypt, was at one time a political officer in the tract referred to. Writing to the Author in 1901, he noted that " the system of periodical redistribution of lands in these countries is universal. Redistribution takes place at fixed intervals, which vary in each locality from 5 to 10, 15, and 20 years. (It)... extends to the exchanges of whole *tappas* (2) as well as to the redistribution of the general shares of *daftaris* (3). The redistribution of *tappas* is, as might be imagined, the source of serious dispute. Heavy fighting is at the present moment taking place over the redistribution of the *tappas* of subdivisions of the Bahozai tribe in Upper Swat, the object of which, after a long period of 25 years without redistribution, is to give the other subdivisions of the tribe a turn in the possession of Mingaora, not only one of the strongest villages in Upper Swat, but a place whose position on the main trade routes gives it a heavy income from tolls." Sooner or later this " pernicious system ", as Sir Henry Mc Mahon calls it, must disappear.

(1) Gazetteer of Gurgaon.
(2) tappa = tract held by a subdivision of a tribe.
(3) daftari = man holding a share of tribal land.

" Lands which might be irrigated by new water channels remain unirrigated, for what Pathan will do a stroke of work for the benefit of his successor? Why should he make water channels? Why should he plant trees or make orchards for some one else to enjoy at the next redistribution? "

Apart from periodical redistribution the easiest way to ensure equality of treatment was to assign to each shareholder a plot out of every sort of land. A simple case is that of a village perched on the edge of the bank which marks the past or present limit of river floods, and including land both above and below that bank. There each man would undoubtedly claim a block in both uplands and lowlands, and family holdings might easily be the result of a more complex plan of division, for neither in the high or low tract would all soils have equal advantages. Another way to obtain equality was to allot land in long narrow strips. The plan was sometimes carried to great lengths, as in the case of the tenure known as " likivand " (line-division) in 22 villages of the Attock district. This consist in the allotment to each family or subdivision of the village of a long strip of land in each of the main quarters of the estate, so as to ensure that no one shall get the better of his neighbour. Inside the strip, which often runs to a length of half a mile, each member of the family takes so many spans according to his share until, as subdivision increases, the resulting fields tend to become " length without breadth. " (1)

According to the ideas of the people, property in land belongs to the family rather than to the individual. Under native rule, when the country was inquiet and population was kept down by wars and famines, there was little inducement to separation of interest. On the other hand, the English legal and revenue systems have for good or evil encouraged individualism. Under the native law of inheritance each son takes an equal share of his deceased father's land, and it commonly happens that family quarrels, for which the wives get the credit of being often responsible, make joint holdings irksome. But communal holdings are still numerous, and fresh ones are constantly being created when several sons inherit their fathers' property, or when a share in a holding is mortgaged.

When peace and order were established and the State rent due from the village community was commuted to a fixed cash demand subject to no change for a period of 10, 20, or 30 years, it became the interest of each shareholder to break up as much of the common waste land as possible. As the process goes on it is found that some men have brought under the plough more than their proper share and that the powerful members of the community have grabbed the best land. In the end the weaker shareholders protect themselves by applying for partition in accordance with the ancestral or customary shares recorded in the record of rights. That important document, which is carefully kept up to date, besides showing what the shares are, contains a statement of the rule to be followed in carrying out partition.

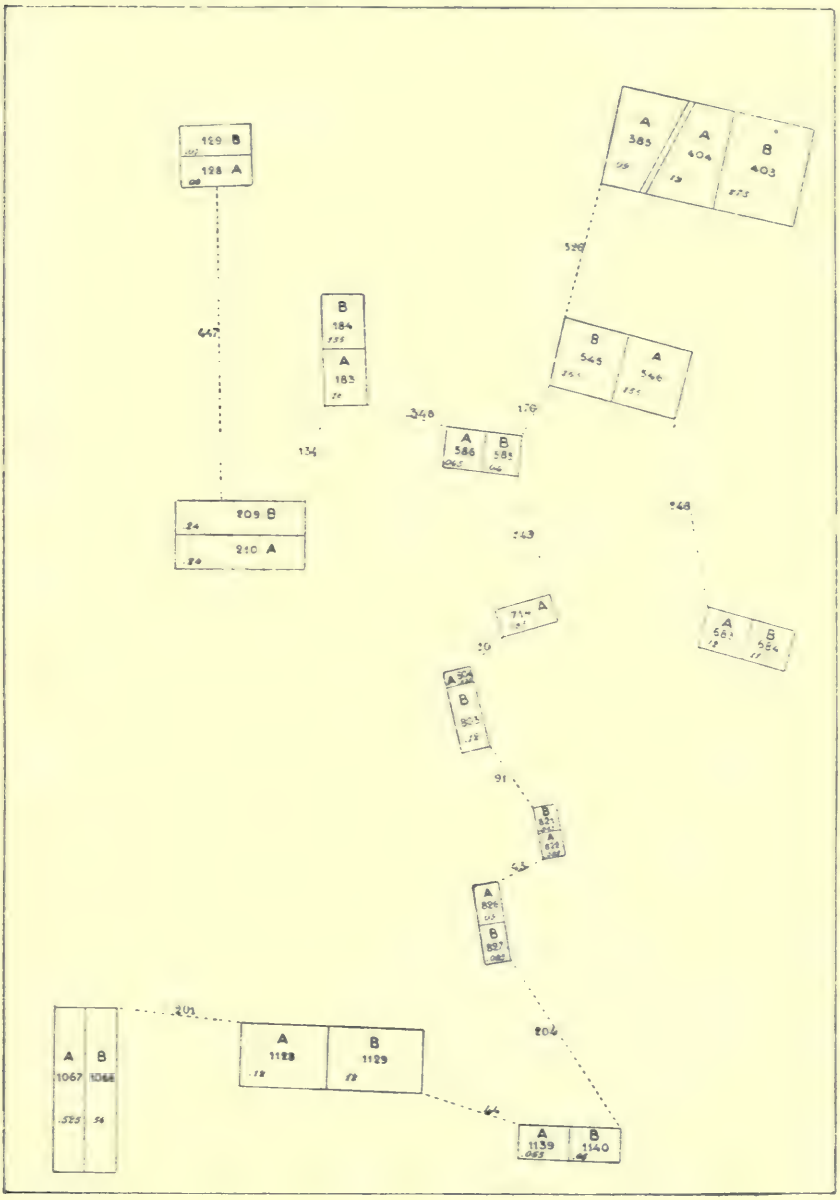
(1) Gazetteer of Attock.

Partitions of whole villages have been freely allowed in the United Provinces with the result that many small separate estates have been created. The process destroys the responsibility of the shareholder who obtains partition for the payment of the land revenue of the parent village community. It has always been discouraged in the Panjab, and can only be carried out with the sanction of the highest revenue authority in the province. In a few cases it has been allowed in order to break up some of the huge estates in the west of the province into more convenient revenue units.

When the shareholders in a joint holding decide to separate their interests there is no bar to their making the partition without the help of any Government official. When the process is complete and each man has taken possession of his own lot, they can have the transaction entered by the village registrar in the mutation register so that it may, after attestation by a revenue officer, be embodied in the record of rights. The law has carefully provided against the danger of the conversion of separate possession of land into separation of title against the wish of any of the joint owners. It is found that shareholders are for years content to cultivate less than their full share without any intention of giving up an iota of their rights. Private partition is only suitable in very simple cases. It will easily be carried out in the new Canal Colonies, where each of the original holdings consists of a single block of land divided into rectangular fields, all of the same shape and size (see No. 1 January, 1915). Where there is any complication, and especially when common waste has to be divided, it is prudent to invoke the aid of a revenue officer. Any joint owner or joint tenant, having a permanent right of occupancy, whose title is recorded in the last edition of the village record of rights, can apply to have his share in the family holding or in the common waste separated off. If any partition of common pasture occurs it will usually be found that each man wants to take his separate share.

The law is careful to provide that partition claims shall only be decided by officers of sufficient rank and experience, though they are allowed to act on reports furnished to them by subordinate officers. There is no better test of the worth of a revenue officer than his capacity to deal competently with a complicated partition. If there is a real dispute as to title a judicial decision must be obtained before partition can proceed. If no question of title is raised, or if one has been raised and decided, the right conduct of the proceedings depends above everything on willingness to take pains. A man dealing with a partition must be prepared at the outset to ascertain by careful enquiry what the real position of the contending parties is, and what is the nature and extent of any objections put forward. He must be ready to visit the village and satisfy himself by the use of his own eyes regarding the truth or falsehood of assertions as to the relative value of different plots of land. If he will take the trouble to do this, he will be able to do substantial justice. Though much of the detailed enquiries must be made by a subordinate, the officer who has to decide the case fails in his duty, if, as sometimes happens, he passes orders on written reports without having the parties before him, and, if need be, inspecting the land. There

Two Small Holdings in a Village in Jalardhar District.



Distance in Yards Areas in Decimals of an Acre.

The Diagram is not drawn to any Scale.

is always a great tendency to do the work mechanically and give every man his exact arithmetical share of each class of land. Such a procedure may in fact be far from equitable. While the holding was joint, one shareholder may have brought part of it under irrigation by sinking a well or digging a channel, or may have raised its value by embanking it. He ought as far as practicable to be allowed to retain the land whose present value is due to his enterprise. This can sometimes be done by giving to the other shareholders a larger area of unimproved land.

A revenue officer may for " good and sufficient cause " reject outright an application for partition. The right of appeal to a higher authority is a sufficient check on any misuse of the power. One case in which it is reasonable to exercise it is where many of the new holdings, which would be created by dividing the common land of a village, would be so minute as to be useless to the persons to whom they would be allotted. Claims by widows are troublesome. By a just provision of the customary law, which governs the inheritance of village land, a childless widow has a life estate in the land of her deceased husband. The next heirs look on her possession with suspicion and dislike, and they often raise strong objections when she asks to have her share separated off. Their fear that she will mismanage the property, if she gets undivided control, is not infrequently well founded. On the other hand the widow is sometimes cheated of her fair share of the produce of a joint holding. If any satisfactory arrangement can be made to safeguard her rights without partition, it is safer to disallow it. The law expressly cites other cases in which partition may be refused. Examples are grazing grounds and the drainage area of the village tank. Even if the grass in a village common is not of much value, it is useful to reserve part from partition, so as to have some vacant space where the cattle can be kept in the day time. In arid tracts, where the people depend on tanks for their own drinking water and that of their cattle, it is important to keep the drainage area free from separate occupation. The village site itself cannot be the subject of partition proceedings.

When a case has been decided, an instrument of partition detailing field by field the allotment of land to each shareholder is drawn up. Before this is done the village registrar should have pointed out to every man the land that has fallen to him. If this preliminary has been properly attended to, possession is usually obtained without difficulty. If it is refused, the revenue officer will, if applied to, enforce the partition. As soon as is actually carried out the registrar should write up the new holdings in his mutation register for entry after attestation in the record of rights.

In the years 1911-12 the number of partition cases decided was 9,587. The area involved was 744,700 acres, of which 314,801 were cultivated. As there are 35,000 villages in the province there was, roughly speaking, one case for every four villages.

Before referring to the question of consolidation it may be well to show graphically how inconvenient existing arrangements may be. The diagram which is not drawn to scale, shows the actual distribution of a very small holding, which A and B inherited from their father and subsequently divided.

Though the original holding only covered an area of less than 4 acres, it consisted of 13 distinct parcels of land, the distance between each set of two varying from 30 to 447 yards. Partition was effected except in a single case by dividing each parcel of land in two. A list of the fields in the two new holdings is given below.

TABLE I. — *Distribution of two Holdings formed by Subdividing a Small Holding consisting of* 13 *Parcels,*

No. of Block	Holding of A.		Holding of B.	
	No. of Field	Area in Acres	No. of Field	Area in Acres
1	128	08	129	09
2	183	16	184	16
3	210	24	209	24
4	385	09		
4	404	12	403	27
5	546	15	545	16
6	586	05	585	04
7	714	08		
8	804	02	803	12
9	822	05	821	06
10	826	09	827	09
11	1,067	53	1,068	56
12	1,128	12	1,129	12
13	1,139	07	1,140	05
	Total . . .	1.85	Total . . .	1.96

The revenue law is silent on the subject of consolidation, but in some cases necessity has taught the people themselves to find a remedy for dispersion. A well with a good water supply is worked with four yokes of oxen working in relays of a yoke at a time. Four small owners with two oxen a piece can reasonably combine their capital and labour to sink a well. Each will then take a fourth share of the water and be entitled for six hours out of the twenty four to use the well to irrigate his own fields. The original holding shown in the diagram was large enough to use profitably a fourth share of the water of a well. But a man cannot irrigate such scattered fields. A proprietor in this predicament has to try to induce his neighbours, if he can, to take some of his fields and give him some of theirs in exchange. If he succeeds the exchanges are embodied in the

record of rights. In the much rarer case of a holding consisting of a single narrow strip of land, irrigation is impossible. Where "likivand" exists it fortunately tends to break down before the wish to sink wells.

"When a man wishes to improve his property in this way he negotiates exchanges or purchases and consolidates his holding. In one small village of 366 acres, in which there has been a rush to sink wells, remeasurement showed that some 1,500 mutations must be entered up to give effect to all the transfers which had taken place" (1).

In the Jalandhar district peasants resort to exchanges in order to consolidate holdings when they intend to sink a well. Exchanges with the same object are common in Ferozepore. Agricultural statistics for the province show the total number of exchanges and the areas exchanged. They give no clue to the proportion of cases in which the motive was consolidation, but it is probable that in very many cases that was the object in view. This inference is strengthened when we observe that exchanges are specially numerous in districts in which there is activity in well sinking. The table below gives totals of new wells sunk, exchanges affected, and acres exchanged for the five years ending 1913-14. The provincial figures are the totals for 27 districts, those for Multan and Muzaffargarh being excluded.

TABLE II. — *Statistics of Well-Sinking and Exchanges* 1910-1914.

Detail	New Wells	No. of Exchanges	Acres Exchanged
Province	12,933	90,299	162,992
Jalandhar district	1,307	27,667	18,945
Ferozepore "	778	4,660	10,093
Scialkot "	1,222	3,869	4,554
Gujrat	787	3,869	6,306
Attock	772	2,051	7,866
Total - 5 districts . . .	4,866	41,695	47,764

The new conditions due to the extension of canal irrigation have led to striking changes in the configuration of fields and holdings. An ordinary Panjab village map consists of fields of all shapes and sizes; the map of one of the new canal estates looks like a very large chess-board. In the case of unirrigated fields irregularity of outline matters little. But when canal water is introduced all the irrigation arrangements are immensely simplified if rectangular fields of uniform size are adopted. Further, the official record of crops, which is made twice a year, is much facilitated, and the map,

(1) Gazetteer of Attock.

once made, is practically permanent. If partitions and transfers occur they can be embodied in it by adding a few straight lines. In the case of State lands colonized on the new Canals in the west of the Panjab the Government has had a free hand, and has ordered that the holdings allotted to colonists shall consists of one or more rectangles measuring 25 acres, and each divided into twenty five rectangular acre fields. It was evident that much advantage would accrue if the same arrangement could be carried out in old villages when they received the benefit of canal irrigation. The people at first look askance at proposals for rectifying fields boundaries, but they gradually become alive to the advantages of a system which *inter alia* prevents encroachments and boundary disputes, and enables even an ignorant man to check the record of his crops and the charges made for water. The Government has now made the acceptance or rectification of field boundaries a condition precedent to the introduction of canal water for the first time into a village.

It is convenient but not essential, to have one acre fields. What is really necessary is that all fields should be of the same rectangular shape and most of them of the same size. In the case of old well irrigated estates, where the fields and holdings are small and land valuable, the amount of dislocation caused by the rectification of boundaries makes it certain that it will not, as a rule be willingly accepted. But in unirrigated estates with large fields the owners may perhaps in time become convinced of the advantages they would derive from rectification. Obviously a relaying of field boundaries involves a repartition of the village area, and a very large number of exchanges. But existing orders do not encourage any attempt to add consolidation to rectification. They run, " Efforts should be made to cause the least disturbance of existing holdings possible, and, unless the people specially desire it, no attempt should be made to amalgamate holdings scattered in different parts of the estate. They often owe their origin to ine qualities of soil, and provision should always be made for owners to receive not only the amount of land they originally held, but the same amounts of each important class of land. " No doubt it is desirable in the first instance to make the allotments on this principle but before closing the proceedings it might be useful to point out to the people the advantages of a certain amount of consolidation, and to offer to embody in the record any exchanges they may desire to make with this end in view.

The Indian peasant is intensely conservative and regards all reforms with suspicion and dislike. It would be unwise to press them upon him in the interests of consolidation. Where he realizes its advantages, he has the means of carrying it out by exchanges, if he can secure the consent of his neighbours, and the revenue machinery provides sufficiently for the entry of all transfers of fields from one holding to another in the record of rights.

FRANCE.

METHODS OF CALCULATING THE LOSSES CAUSED TO FARMERS BY THE WAR.

OFFICIAL SOURCES :

MINISTÈRE DE L'INTÉRIEUR. COMMISSIONE SUPÉRIEURE CHARGÉE DE LA REVISION GÉNÉRALE DE L'ÉVALUATION DES DOMMAGES RÉSULTANT DE FAITS DE GUERRE. RAPPORT GÉNÉRAL SUR LES MÉTHODES D'ÉVALUATION DES DOMMAGES, présenté au nom de la Commission supérieure par M. Hébrard de Villeneuve. (*Ministry of the Interior. Superior Commission Entrusted with the General Revision of the Estimation of Losses Due to the War. General Report on the Methods of Calculating Losses, presented by M. Hébrard de Villeneuve, in the name of the Superior Commission*).

§ 1. GENERAL PRINCIPLES.

A very recent law of December 26th., 1914, establishes the right to compensation for material loss caused by war, and its 12th. article lays down two kinds of very different provisions :

Some relate to the calculation of damages to be estimated by Cantonal and Departmental Commissions, and, in the last resort, by a Superior Commission at Paris ; others refer to the settlement of claims and reserve it to the legislative body to decide on the conditions giving right to compensation for losses. Doubtless estimation is an indispensable preliminary before any compensation can be given, but such estimation in no way binds Parliament in its later decisions and in no way affects the sovereign rights the exercise of which it has reserved to itself.

A decree of February 4th., 1915, organizing the valuation commissions, strictly conforms to the text and spirit of the law of 1914 on this point.

The office it assigns to the commissions is only that of verifying the material loss and estimating the damage suffered by the victims with no right of intervening in the settlement of claims. Let us add that the Government considered that, even before the work of the commissions commenced, the Superior Commission should formulate its opinion, supported by reasons, in regard to the best methods of estimating the losses through war, while it will afterwards, in virtue of its own powers, examine and revise the application of these methods. This opinion we shall now summarise,

considering in the first place: 1st. what losses must be included in the estimation made by the commissions; 2nd. according to what criterion the estimation must be made; 3rd. at what date the loss must be estimated.

(1) Under the existing laws, the only losses the Commissions can rightly consider for purposes of their estimates are those presenting all the following characters:

Material loss, exclusive of indirect losses, such as the loss of profits;

Present losses *already caused*, exclusive of *eventual* losses;

Losses *directly* due to the war.

(2) The question of the *criterion* for the valuation has given rise to two opposing theories, which have both been sustained before the Superior Commission.

According to the first, the valuation should be based on the cost of reconstruction and restoration of the property destroyed, less the deductions to be made on account of previous deterioration.

According to the second, the *criterion* is the value the object destroyed has at the moment of its destruction.

The majority of the Commission decided in favour of this second view, which was judged to be in conformity with common law. In cases of compensation for losses due, either by private persons responsible, or the State when executing public works, or insurance companies in virtue of contracts passed, the legal rule is that the estimation is based on the value of the object destroyed, without regard to the intention the party injured may have of repurchasing the object or rebuilding what has been destroyed.

Therefore the loss should be calculated according to the value of the objects injured and not according to the expenditure needed for their reconstruction. However, exceptions to this rule have always been allowed in cases of small importance or under special circumstances. We shall find below a few examples of these exceptions in the case of simple decay of buildings and in regard to farms and forests.

(3) It being admitted that the value of the object destroyed must serve as the criterion in accordance with which the loss is estimated it must be decided at what date this value is to be estimated.

The rule of common law is that, in order to judge of the damage, we must place ourselves at the moment at which it was caused.

In regard to furniture, crops etc., this principle would present no legal difficulty in its application; the point that will remain sometimes rather embarrassing is how to fix precisely the date of the removal or th destruction.

With regard to buildings, the Commission has been induced to deviate from the above rule or rather to introduce a condition which seemed to it equitable and which is not at all in conflict with the law. To attempt to apply in the case of houses this method of valuation at a fixed day would often present real impossibilities. Such precision is besides more than is necessary, for a building does not suffer daily alterations in value, as do objects the market price of which changes from moment to moment. If the date for valuation is fixed at the period immedi-

ately preceding the war, there will be absolutely no departure from the rule that the value of the things damaged must be calculated at the moment of the injury, but, by means of a fiction which is very near a truth, the period of the war is taken as a unit of time, which is at once more practical and more equitable.

After having thus indicated the *criterion* for the valuation of the losses and the date at which they are estimated it remains for us to give the rules for the estimation.

§ 2. General rules for buildings,

(1) Previous to any verification or estimation, the Commission must, through the medium of the delegate of the Minister of Finance, obtain the estimates the financial administrations were able to make of the value of the buildings damaged at a date as near the war as possible.

It must obtain the last decennial estimate of the department of direct taxation, and, especially, information in regard to the general condition of the buildings in the commune, statement of the taxes on buildings, special documents relating to buildings of exceptional value, and the protests made by the ratepayers against the estimates of the authorities.

It must seek in the files of the registration offices and if need be in the registers of mortgages for all documents relating to the buildings in the last ten years.

The various information the Commission intends to make use of must be communicated to the parties concerned on request.

(2) In the case of buildings mortgaged to the Land Credit Institute of France, it must request that the estimates of the inspectors of that establishment be communicated to it.

(3) In the case of insured property, it must ask the applicants for the insurance policy.

(4) The Commission must make investigations in regard to the cost price of construction of the buildings before the war, with deduction for depreciation through lapse of time. The Commission must have power to charge one or more of the competent persons whose assistance it has obtained with the preparation of a report on the cost of construction of buildings of ordinary character, so as to be provided with a sure and rapid means of calculating simple losses.

The comparative examination of these various elements will allow of the valuation of the loss, in cases of total destruction. In cases of partial destruction, the value of the salvage is to be similarly calculated.

In cases of slight damage or mere deterioration, the Commission must only calculate the cost of the necessary repairs, but if this cost amounts to more than a fifth of the value of the building before the war, it must consider that there has been partial destruction and proceed as above.

§ 3. Special rules in regard to damage to farms.

Independently of the above general rules relating to buildings, more special account must be taken in the case of farm buildings of their uses, that is to say of the uses they really serve, without any profit being made by the victim of the loss.

In the absence of definite indisputable indications, an interesting point may be taken into consideration : namely the average relation, in a particular region, between the value of the buildings and of the holdings in the case of large, small and medium sized farms.

The Superior Commission has considered it advisable to supplement these general instructions by detailed indications of the various categories in which agricultural property exposed to damage by war may be grouped.

Agricultural Equipment. — Under this head are included the machinery, motors, carts, implements, tools, harness and furniture purely for farm use, belonging to the farmer etc.

The Commissions must make sure that the declarations made are true and really correspond with the areas cultivated.

The reasonable purchases made by the farmers, the cost of repairs, and the estimate of competent persons in regard to leases with livestock will be of great assistance to the Commissions in making their estimates.

Draught Cattle and Cattle for Sale. — As in the preceding instance, the Commissions must make sure that the declarations made correspond with the facts. They may, for the purpose, consider the area and the class of crops. The managers of agricultural services and the professors of agriculture will be of valuable assistance in this respect to the cantonal commissions. The estimate for the animals will represent the value of the livestock at the moment of the loss.

Agricultural Produce in Warehouses. — Under this head are included the straw, and cattle foods in warehouses or stacks, grain, seed, oilcake, bran, roots and tubers, household stores etc. The valuation Commission must try to ascertain the value of these articles at the moment of the loss.

Manure heaps and fertilisers will be valued in accordance with the principles above indicated.

Standing Crops. — The Commissions will have to fix the value of this produce at the moment of its destruction, on the basis of the values admitted in the country. Local experts are frequently called to make valuations of this nature and the average prices known and accepted must simply be adapted to the cases under consideration.

Vineyards. — Two cases are to be considered : the total or partial destruction of the vineyard, or the destruction of the last harvest only.

In the first case, the Commissions must estimate the loss, taking into account the cost of new plantation. All facts relating to the planting, stocking,

grafting, fixing of poles or wires, preparation of the vineyard etc., in accordance with the custom of the country and viticultural practice, must be considered in making the estimate. The value of the harvest destroyed, fixed according to the nature of the root stocks, the previous harvests, and the documents relating to the harvest in question, must be added to the estimate of the new plantation.

The result of new plantation may be the loss or diminution of crops during three, four or five years, according to the district, but from such loss should be deducted the increased value of the reconstituted vineyard. The Commissions must be guided by local custom in their estimates, the total amount of which must never exceed the value of the vineyard at the moment of its destruction.

This latter remark applies also in the two following cases, those of hop gardens and orchards or gardens.

Hop Gardens. — The case of hop gardens is similar to that of vineyards: if the hops are entirely or partially destroyed, calculation must be made of the cost of the reconstitution of the garden with poles or wires to restore it to its former condition, and the value of the crop must be added, if it has been lost; as well as that of the annual loss in value, but deduction must be made for the increased value of the hop garden through its reconstitution.

If the harvest only has been destroyed or spoilt, the estimate must correspond with the real loss, which in this case is comparatively easy to fix.

Orchards, gardens. — The rule for estimating losses in cases of vineyards and hop gardens applies also in that of orchards. If an orchard is entirely or partially destroyed, it must be virtually reconstituted as it was, as regards the number and kind of plants. The declarations made must therefore show the number of trees destroyed, their kind, their average production etc., and the value shall correspond with the cost of obtaining the plants, the new plantation, grafting etc., that is to say the restoration of the orchard to its former condition. To these amounts must be added the value of the last crop destroyed and the reductions of crop, deducting, eventually, from the total estimate the additional value acquired by the restoration of the orchard to its former state.

Nurseries. — In this case the estimation is simple: it depends on the number and current market value of the plants destroyed according to their age and their nature. A list of the plants and the ordinary sale prices must be sent in to the Commission.

Preparation of Soil for Crops. — If land sown or simply prepared for seed is damaged by military evolutions or the passage of troops, the value of the preparation of the soil and the land sown must be made according to the custom of the district.

Battlefields and Trenches. — The resumption of agricultural work will require first of all the removal of the shells, at any rate of those that can be found.

Then the trenches must be filled up and these, in some cases are real fortifications occupying large areas and extending deep into the soil and subsoil. The estimate will therefore include the work of demolition, if the

fortifications are considerable (masonry, concrete, timberwork, fences etc.); that of filling up the trench; that of levelling; or, in other words, the restoration of the soil to its former condition.

In case of destruction of drains, enclosures or canals, the value of the material that can be used that remains in the possession of the claimant must be deducted.

Finally, in case of permanent depreciation in value of the soil owing to its being violently disturbed and covered by sterile layers, the Commission must estimate the amount necessary for the restoration of the farm to its former condition and take into consideration the depreciation in value of the soil for the purposes for which it served.

In regard to private roads, the estimate would also include the expense of their reconstruction.

§ 4. Special rules in regard to damage to forests.

The estimation of damage caused to woods and forests is a specially delicate matter, for forest land is a kind of property possessing quite a special character.

At first glance, this special character is not seen. Forest plantations like farm crops are the result of cultivation and a wooded estate of some importance may provide its owners with an annual income like a farm; but considering the matter more attentively we find that forest property has this fundamental and exceptional character that it never furnishes an annual income at a certain place. Whilst in farming the general rule is that one derives produce from the soil each year, a wooded holding, of whatever nature, is not capable of giving a yield till a certain number of years after the plantation or its renewal. Besides, in contradistinction to other crops, wood increases in value from year to year up to the ordinary date of felling. So we are induced to regard the forest soil as a capital bearing compound interest, and from this idea follow the special rules for forest valuation.

On the other hand, the cultivation of forests yields products of very different value and character (timber, wood for manufacturing purposes, fuel etc) with the peculiarity that each kind of wood may be utilised, not only for the usual purpose but also as wood of inferior classes.

Now this peculiarity is of great importance, especially in the case of requisitions, for the forest proprietor may suffer considerable loss if wood of a superior quality is requisitioned for inferior purposes, especially if timber is requisitioned for fuel.

Finally, the effects of damage done to forests are often unknown and the valuation of them calls for technical knowledge scarcely to be found outside of professional circles.

For these various reasons it has been judged advisable to consider the damages to forest land separately and these damages have been classified as follows:

(1) damage to wood cut ;
(2) damage to growing plantations ;
(3) damage to the holding.

(1) *Damage to wood cut.* — If the wood cut has been destroyed or lost as a result of incidents of war, it is valued at the market rate. The price fixed is that of wood in the forest that is to say the price paid at the centres of sale or consumption, less cost of transport.

(2) *Damage to standing plantations.* — This is estimated at the value the wood damaged or destroyed would have yielded the owner, less any eventual salvage.

If the wood damaged or destroyed were sufficiently old to be considered as fit for sale it must be estimated at the market price, or rather at the price the consumer would pay. Otherwise, the forest must be treated as capital invested at compound interest, and estimated at the future value, that of the value the wood would have had when fit for felling less a suitable discount.

This future value is arrived at by means of a formula obtained from: 1st. the revenue at the ordinary age for felling ; 2nd. the age at which the plantation was felled or destroyed ; 3rd. the rate of investment of the capital represented by the forest.

(3) *Damage to the holding.* — No special rule has been laid down for estimating damage to roads, houses, saw mills and forest buildings. The damage caused by disturbance of the soil and destruction of the root stocks of copse woods or forest trees is estimated from the amount required to restore the former state of the soil. When it is not possible to do this except imperfectly, an estimate of the compensation due will be made.

§ 5. Estimation of damage to personal effects.

The rule prevailing in this matter is that the estimate of loss must be based on the value of the object lost or destroyed at the moment of the loss.

In the case of personal estate, other than securities and documents of title, for which special provision is made, the cantonal commission must demand a detailed statement and estimate for the easier verification of the loss and as evidence of the seriousness of the claim. It must make an abstract of each declaration so as to classify the damage under the four following heads ; moveables, linen etc., objects of exceptional value, other personal estate.

In regard to the articles coming under the first two heads, the commission must compare the various proofs the claimant brings forward in support of his claim, insurance policy, invoices, receipts, registers or family papers etc., with those it is able to obtain from the public offices especially from the registration office, and it must base its estimate on the valuations that seem to it best supported.

In the case of objects of exceptional value that cannot be considered as moveables, the commission must ask the claimant for his insurance policy. Then it must try to obtain all the information that may enable it to verify the estimate, especially dated documents proving the existence of the objects and fixing their value.

In case such comparison can not be made, if the commission has before it authentic documents enabling it to identify the objects, and dated less than ten years back, it shall base its estimate on the value shown in these documents. If it has only the insurance policy before it, it shall, in virtue of its own powers, reduce the value by half, allowing the interested party in either case to bring proof of a higher value. In case no document exists the commission must consult competent persons.

Finally in the case of all objects not included under the first three heads, of which a complete enumeration cannot be given ; horses, carts, etc. the commission must examine the claims as far as possible and only allow those for which the claimant brings positive proof.

In no case can claims for debts be allowed, as they come within the competence of the law courts.

Claims for loss of money (cash or bank notes) can only be considered when formal detailed proof of the loss is produced.

Let us add that the general rules regarding furniture apply to equipment in so far as not consisting of fixtures, to goods and food supplies; there exists a specially useful means for establishing the value of the latter in the price lists published in the papers.

Such are the general principles and rules for valuation the Superior Commission has thought fit to recommend as a guide to the local commissions in the exercise of the important and delicate mission entrusted to them. These rules leave the local commissions sufficient latitude to judge, as they have to, each particular case, taking account of the circumstances, but their effect will be to enable them to undertake the great work to be accomplished with a certain unity of view and to complete it more rapidly.

ITALY.

AN ENQUIRY INTO THE ECONOMIC CONDITIONS OF THE TENANT FARMERS IN THE PROVINCE OF UDINE.

This enquiry was carried out by the Provincial Labour Office of Udine with the object of preparing material for the study of reforms and improvements in the relations between the landlords and metayers (1). By means of it information was also obtained in regard to small household industries, which it was desired to extend so as to give the tenant farmers' families a means of increasing their incomes and provide them with occupation in the hours and at the seasons when field work is suspended.

The investigations, however, were not extended to the communes in mountain districts, where, indeed, there are no important farm tenancies, though these abound in the plains.

The households considered are those leasing at least 20 *campi friulani* (2) (7 ha.) ; consequently 1,070 households, composed of 5,350 individuals in all, working farms of a smaller area, were neglected. They are equal in number to about 18 % of the households actually studied, and on an average work 12 *campi* per family, and so altogether 12,840 *campi*. For 340 of these families the receipts and expenditure were equal ; 660 of them closed their accounts with a *deficit* and 70 with a small profit. This result is due to high rents (40-100 frs. per *campo friulano*) and the unsatisfactory working of the land owing to want of labour or capital.

Besides this, 388 households with 5,036 members (6 ½ % as compared with the households studied), were not considered in the enquiry, as the heads are small landowners who cultivate their own farms and also work farms belonging to others. Almost all of these close their accounts with a profit, although they pay high rents and the increase in the rents is indeed principally due to them.

The households studied are shown below :

(1) See the " Bollettino dell'Ufficio Nazionale del Lavoro ", published by the Department of Agriculture, Industry and Commerce, Rome, no. 15, October 1st., 1913.

(2) 1 *campo friulano* = 3, 500 sq m.

TABLE I. *Tenant Farmers' Households considered in the Enquiry.*

District	Tenant Farmers' Households	Members of Households (Including Children)
Palmanova	680	8,714
Latisana	556	7,622
Codroipo	275	3,684
Udine	527	6,778
San Daniele	427	6,040
Gemona	65	650
Tarcento	100	1,063
Cividale	1,481	14,000
San Vito al Tagliamento	690	10 700
Pordenone	755	11,726
Sacile	295	4,170
Maniago	23	310
Spilimbergo	106	1,395
Total	5,980	77,492

Let us now at once consider the farm tenancy contracts and the balance sheets of the tenants' households.

Contracts in Vogue. — There are three principal types of contract, metayage, mixed leases and leases for rents in money. Metayage, for which the unit of cultivation is from 40 to 60 *campi friulani*, appears under four different forms, according to the proportion contributed by the parties to the formation of the capital and according to the division of the profits.

Mixed leases represent a kind of metayage but with a fixed amount of money or grain, generally wheat, representing the landlord's interest in the produce of the soil; in regard to the produce of the trees the system of metayage is applied, with the corresponding mutual rights and duties. The unit of cultivation is from 20 to 60 *campi friulani*; in this case also the contract may take four different forms.

In the case of rents to be paid altogether in money, finally, the tenant pays from 40 to 50 frs. per *campo friulano*, in cash, in two annual instalments on expiration of terms, without any other charge. The costs of working the farm are all borne by the tenant. The landlord has only to pay the taxes and general expenses.

The above three forms of contract are found in all parts of the region ; however, rents in money are less frequent on large tenancies and correspond with only 5 % of the contracts. Mixed leases predominate to the East of the Tagliamento (Udine, Gemona, Tarcento, San Daniele, Codroipo, Latisana, Palmanova, Cividale) and represent 85 % of the contracts; to the West of that river (S. Vito, Pordenone, Sacile, Maniago, Spilimbergo) metayage predominates, representing 80 % of the contracts, as against 15 % mixed leases and 5 % tenancies with rents payable in money.

From an examination of the accounts of peasant families classified according to the various types and forms of contract, it was possible to prepare the following table :

TABLE II. — *Statistics of the Various Farm Tenancy Contracts.*

	Type of Lease	Tenants' Households	*Campi* Worked	Number of Members of Tenants' Households	Share of the		Average Yield per *Campo*	
					Landlord	Tenant	to Landlord	to Tenant
Metayage	Type *A* 90 %	1,712	91,070	25,142	2,780	2,212	55.60	44.20
	" *B* 5 %	95	5,061	1,395	2,920	2,622	58.40	52.40
	" *C* 2 %	39	2,018	556	2,714	2,146	54.30	42 —
	" *D* 3 %	57	3,041	844	2,180	2,512	43.60	50 —
	Total	1,903	101,190	27,937				
Mixed	Type *A* 35 %	1,320	48,461	16,007	2,030	2,535	50 —	63.40
	" *B* 50 %	1,887	69,231	22,826	2,150	2,415	53.70	60 —
	" *C* 15 %	567	20,769	6,846	2,150	2,415	53.70	60 —
	Total	3,774	138,461	45,679				
Rents Payable in Money		303	12,614	3,876	2,150	2,465	53.70	61.60
General Total		5,980	252,265	77,492				

It is to be observed that in compiling the table for the metayage contracts, the unit of cultivation has been taken as 50 *campi friulani* of average fertility, while in those for mixed leases and tenancies paying rent in money the unit was taken as 40 *campi* :

Under forms *B* and *D* of the metayage contract, the tenant generally has nothing of his own, while in all other cases he owns the horned cattle and farm implements, and this is why his profit appears larger, through the interest on the capital invested in livestock.

The Accounts of the Households. — In order better to ascertain the economic situation of the colonists of the province, the report of the enquiry further gives, as nearly as possible, the figures of the balance sheets of the households, studying for the purpose a household of the prevalent type in each commune and noting how many households were in better or in worse circumstances.

The data thus obtained are summarised below :

The general average expenditure per household is 155 fr. per year, but in the case of those the accounts of which show a *deficit* it is 149, and for those that closed theirs with a profit it is 170.

The food of the least badly off consists of, in the morning, polenta with milk and cheese, at midday, bean soup or maccaroni flavoured with pork and pork to accompany it, in the evening, vegetables and cheese or milk and polenta. They drink wine in winter.

The poorer families, however, eat in the morning only polenta, and often only potatoes, at midday soup, in the evening vegetables or polenta.

Very little is spent on clothing, and expenditure on pleasures is almost unknown ; only the emigrants spend considerably for either of these purposes.

There are no small industries in the province, except in the district of S. Daniele and a few other communes. But this — as has been observed — is an advantage, because generally speaking the average tenant farmers' family even in winter has to give all its attention to agriculture, in order that the farm may be carefully and thoroughly cultivated.

It is only among the emigrants alcoholic tendencies are observed.

Economic Discomfort. — But, the dominant note of the report of the enquiry is the economic discomfort of the peasants of the province. The soil is in the first place little fertile, atmospheric conditions are continually unfavourable, purchase and sale is difficult ; and to this must be added sometimes burdensome conditions of contract, insufficient remuneration and the lack of capital, which is also shown by the short time the tenants remain on the farms, the rural exodus on the part of the most vigorous members of the tenants' families etc.

The Desires of those Concerned. — The enquiry also succeeded in collecting the desires of the tenants, of the landlords and of both groups.

The tenant wants :

Long leases.
Rents in proportion to the yield of the land.
Annual settlement of accounts.
Fair compensation for improvement of the farms.
Fair compensation for building, either for storage or transport.
Abolition of compulsory personal labour.
Abolition of customary gifts or "appendizi".

TABLE III. — *Statistics of the Balance Sheets of the Tenants' Households.*

Districts	Number of Tenants' Households in the District	*Campi Friulani* Worked in the District (Campi of 3,500 sq. m.)	Total Yield of Farms Worked Frs.	Total Expenditure for Purchase of Manure — Frs.	Balance Sheets of Tenants' Households Closed with			General Economic Situation of the Tenants		Do the Tenants Remain Long on the Same Farms		Term of Contract of Lease		Sentiment of the Tenant towards the Landlord		
					Neither Profit nor Loss	Loss	Profit	Comfortable	Unsatisfactory	Yes	No	One Year	More than one Year	Indifferent	Untriendly	Friendly
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Palmanova	680	24,160	3,624,000	250,000	345	193	142	466	214	611	69	670	10	208	74	398
Latisana	556	22,790	3,305,000	210,000	210	206	140	253	303	337	219	546	10	228	173	155
Codroipo	275	11,825	1,500,000	85,000	107	117	51	55	220	202	73	245	30	82	126	67
Udine	527	18,000	2,300,000	90,000	267	174	86	92	425	354	173	516	11	270	189	68
San Daniele	427	18,000	2,300,000	100,000	97	270	60	147	280	305	122	425	2	202	105	120
Gemona	65	1,950	275,000	17,000	69	71	25	58	107	120	45	130	35	96	11	58
Tarcento	100	3,020	450,000	24,000												
Cividale	1,481	44,000	6,160,000	350,000	816	367	298	969	512	1,206	275	1,422	59	798	290	393
S. Vito al Tagliamento	690	40,400	6,400,000	360,000	329	246	115	315	375	569	121	655	35	213	169	308
Pordenone	755	45,300	6,115,000	400,000	376	247	132	425	330	565	190	752	3	400	70	285
Sacile	295	17,700	2,020,000	110,000	168	60	67	160	135	160	135	280	15	105	110	80
Maniago	23	920	101,000	6,000	10	10	3	10	13	—	23	—	23	—	20	3
Spilimbergo	106	4,200	546,000	29,000	57	37	12	71	35	61	45	105	6	45	—	64
Total	5,980	252,265	35,096,000	2,03 ,000	2,815	1,998	1,131	3,031	2,949	4,490	1,490	5,741	239	2,647	1,337	1,996

Institution of *Agricultural Arbitration Boards.*

Institution of *Distributive Co-operative Societies.*

Institution of *Co-operative Societies for the Sale of Agricultural Produce.*

The proprietors want :

Greater interest on the part of the tenants in the cultivation of the farms.

Greater union and more agreement between the members of the tenants' households.

Maintenance of customary gifts.

Diminution of emigration.

Diminution of rates and taxes.

Both groups desire :

Institution of experimental farms in connection with the schools.

Greater interest, protection and assistance on the part of the Government, Province and Communes for agriculture.

Conclusion. — The Report of the Enquiry ends with the following conclusions and proposals.

(A) As regards all the forms of the tenancy contracts generally:

1st. The rents and the tenants' contributions must not be raised beyond what the yield of the farm and the conditions of the market allow.

2nd. The tenancy contracts must be for a period of years, at least five, with guarantee of mutual observance of the contract and right to denounce in advance if the farm cannot be suitably worked.

3rd. Until arbitration boards are instituted for agriculture, a clause must be inserted in the contract providing for arbitration.

4th. Unremunerated or partially unremunerated personal labour in payment must be limited or abolished.

5th. Fair compensation must be given for improvements increasing the revenue of the farm, in so far as it is not enjoyed by the tenant, and annual payment must be made for improvements increasing the value of the farm.

6th. Accounts must be settled annually.

7th. The landlords must interest themselves directly in the administration and employ their capital more extensively for the work of the farms.

(B) As regards pure or mixed metayage or any form of share tenancy:

1st. Preference should be given generally to pure metayage, with contribution of the livestock by the landlord.

2nd. Rent for meadows should be abolished if the livestock is the landlords'.

3rd. Fair compensation should be given for vegetable gardens, the tenant should not be charged rent for the house, especially if it serves for silkworm rearing or for lodging of the household benefiting no further by it.

4th. Rent of meadows or a share in the cattle foods produced may te allowed in cases of metayage when the horned cattle does not belong to bhe landlord, in consideration of the charges supported by the tenant in

manuring and the advantages deriving therefrom to the farm and its fertility.

5th. Fair estimate should be made of the materials supplied to the tenant, if necessary or useful for the management of the farm, with no interest charged and fair valuation of the produce delivered by the tenant to the landlord.

6th. Small customary gifts in the form of fowls and eggs may be allowed.

7th. Emigration should not be absolutely forbidden, if an abundance of labourers is assured.

Apart from what may be established in the contracts, the desire is finally expressed that public or social institutions may promote the greatest possible reasonable improvement of agriculture by means of a larger publication of demonstrative examples and by imparting experimental ideas of agriculture in the village schools, the encouragement of the constitution of *co-operative societies* for supply of material in centres remote from the existing agricultural circles, as well as the constitution of co-operative societies for the sale of the produce of the tenants, with increased propaganda in favour of the registration of peasants with the National Labourers' Disablement and Old Age Thrift Institute and by urging the approval of a bill on compulsory accident insurance of farm labourers.

SWEDEN.

THE VALUATION OF THE TIMBER RESOURCES OF THE FORESTS IN THE PROVINCE OF VÄRMLAND.

By Prof. HENRIK HESSELMAN,

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The question of determining what ratio the country's consumption of timber bears to the producing powers of its forests has for long been under discussion in Sweden. The country is undoubtedly rich in forests: it is estimated that an area of 21,600,000 hectares (or 52 per cent. of the total surface) is covered with timber. The amount consumed, both for the country's own use and for export is also enormous.

The Swedish trade in wooden articles, paper and the raw material for the manufacture of paper is of great importance in the economy of the country, and it is easy to understand, therefore, that it is a matter of great interest to the people of Sweden to determine with more exactness the real resources of their forests.

The country possesses 392 hectares of timber land for each hundred inhabitants, whereas the corresponding figure for the whole of Europe is only 74 hectares. It may be added that in Sweden the forests are not known with that precision and fulness of knowledge which is the case in Germany and other countries where the population is more dense than in Sweden. Most of the Swedish forest lands belonging to the great saw-mill companies, as well as the State Forests, have been valued, but the forests belonging to private individuals are in general known only very superficially. The accurate valuation of the latter would be an expensive undertaking as these private forests cover a vast area. We have had to content ourselves, therefore, with the determination of their average value which for districts of a certain size such as the Län (provinces), may be considered sufficiently exact. The valuation of the forests of Värmland which follows is in the nature of an experiment which aims at ascertaining the value of the methods selected.

Värmland is one of the forest regions of Sweden of medium size, covering 1,931,352 hectares. The northern part is entirely covered with timber, while in the south, forest and cultivated land is about evenly distributed. Thus the Värmland is typical both of northern Sweden which is very heavily wooded, and of central and southern Sweden where the land

is of mixed type. In the work of valuation this difference in type of country has been taken into account.

The conformation of the district is, as a rule, remarkably regular, the mountain chains running NNW-SSE. In carrying out the valuation, care was taken to select sample zones in the form of narrow strips running obliquely in the direction WSW-ENE, and thus cutting the mountain chains and the valleys. These strips, cutting across the whole province were only 10 metres wide; and as in Northern Värmland they were distant 4 km. from one another and, in Southern Värmland, 2 km., the area valued represented in the one case 0.25 per cent. and in the other 0.50 per cent. of the total surface. The total area actually valued was 6,181 hectares. It becomes necessary, therefore, to determine to what extent an area so small as that actually surveyed can be relied upon to give results, and to see how the accuracy of the results obtained may be controlled.

Within the sample strips, the distribution of forests, swamp land, grass land, cultivated fields and water-courses was determined; an estimate was made of the quality of the woods; and the number of trees, their kind, and the classes to which they were to be assigned according to size, were next ascertained. In each of the classes by size, one trunk in every forty was selected as a sample of the whole, and its volume and rate of growth were determined. For this purpose use was made of a method worked out by the Forestry Expert, Mr. T. Jonson of Stockholm, by which with great accuracy, especially as to volume, it is possible to make a survey even of standing trees. In this way the value was established of 32,746 sample trees distributed throughout the whole of Värmland.

The actual field work was carried out by parties of nine persons including a leader, who was in every case an expert forester. The sample strips were traced with the help of the compass and good maps, and were afterwards measured with the chain, all the work being carried out, as has since been proved, with extreme accuracy.

In order to control the results, use was made of the formula for the calculation of probabilities, and for the purpose, the sample strips were divided into lengths of one kilometre. As the strips were 10 metres wide, each length of one kilometre was equal to one hectare. In order to ensure the symetrical arrangement of these sample plots a line was traced at right angles to the sample strips, at the point of intersection of a survey line passing through the centre of Värmland and the central meridian of the province (5° W of Stockholm). Starting, from this line, the sample strips were divided into lengths of one kilometre. Each section or sample plot thus marked out had two numbers assigned to it, of which one referred to the sample strip to which the section belonged, and the other indicated the distance from the above-mentioned central line cutting the sample strips. A separate record was drawn up for each sample plot.

In the calculation of probabilities the sample plot were classified in groups, each group made up of plots distributed regularly throughout Värmland. Each group formed an independent survey, which included,

naturally, a more limited survey unit. The average of the various groups was ascertained, and from this was calculated the average error, according to the difference shown between each group and the average ascertained. For the estimation of the results of the forest survey of Värmland, a more simple subdivision of the surface to be valued was adopted, the sample strips being grouped in the following manner: the first group consisted of the strips 1, 11, 21, 31... etc.; the second of the strips 2, 12, 22, 32 ... etc., and so on. In this way the general survey was divided into ten partial and independent surveys each consisting of one tenth of the surface to be surveyed; and it was upon this basis that the mean error of the result was calculated. It was found that the distribution of error followed very closely the law of probability.

Comparing the determination of areas made by the above-mentioned system, and that obtained in the survey of the Economic Section of the Topographical Bureau, it was possible to establish the fact that the actual errors were less than three times the mean error. The above-mentioned Topographical Bureau has published an excellent map of Värmland upon which water-courses and sheets of water, land under cultivation, unbuilt-on land, etc. are all clearly and accurately indicated. We give below particulars as to the surface of the land as obtained by the method we have described, the mean errors and the real errors resulting from a comparison with the data of the Topographical Bureau:

	Surface (Hectares)	Mean Error (as calculated)	Mean Error (as ascertained)
Cultivated land	249,520	± 1.27 %	± 1.42 %
Water-courses, etc. . .	180,022	± 3.68 %	± 1.41 %
Unbuilt-on land	1,499,328	± 0.51 %	± 0.31 %

As may be seen the actual errors in no case exceeded three times the mean errors, and as a rule they were very small indeed.

The forest land of which the surface has not yet been measured according to the strict principles of forest surveying, covers an area of 1,194,806 hectares.

It has been found that, despite the relatively small area valued, the results obtained, as regards the volume of standing timber, its classification according to size of trees, kind of trees, and rate of growth, etc. are remarkably accurate. The mean error does not exceed 1.5 per cent. a result which must be regarded as excellent. We give below the principal results, with the indication of their probable accuracy according to the means errors.

The volume of wood amounted to 81,892,746 cubic metres ± 1.20 per cent., without counting the volume of bark. If the latter be added, the

volume reached 96,465,000 cubic metres. The total was distributed, according to kind of wood, as follows:

Fir	48.43 per cent	± 0.44
Forest pine	37.10 per cent	± 0.45
Other kinds (birch, alder and aspen)	14.47 per cent	± 0.46

Fir is, therefore, the most important, followed by forest pine. As is shown by the smallness of the mean errors the distribution according to kind has been made very accurately. With regard to volume of wood per unit of area we have the following results:

Volume of wood per unit of wooded area. .	66.06 cu. m. ± 1.45 per cent.
Volume of wood per unit area of actual forest	66.6 cu. m.

What is important with respect to the forests of Värmland is that the classes of youngest trees and of smallest trees are of great importance. They form a very considerable part of the total volume of wood, a circumstance which is explained by the fact that, following the heavy cutting of the forests towards the middle and the latter half of last century, reafforestation was undertaken on a vast scale. The youngest growth is also, in general, of very good formation, so that upon the whole, the result may be regarded as satisfactory.

The forests have a rate of growth of 3.54 per cent., equal to a volume of 2,744,541 cubic metres ± 1.03 per cent. These figures relate to the wood alone and do not include bark.

According to the most reliable data at our disposal as to the consumption of timber in Värmland, the growth just balances the consumption. To the amount actually consumed it is necessary to add a considerable quantity of wood which is destroyed, without serving any useful purpose, as the result of decay or of fungus growth. It happens, for example, that the more feeble trees decay during the growth of a plantation before they attain to a serviceable size, and again, in some parts of Värmland, woods of birch and aspen are of no commercial value owing to the lack of means of transport. Any estimation of the amount of serviceable timber available which is based on the rate of growth is, therefore, necessarily exaggerated.

The Commission which carried out the survey of Värmland forests has drawn up a scheme for the carrying out of similar surveys in all the Swedish forests. We may here note the main lines of the project.

In determining the area of valuation of the different "Län" or districts, the experience gained in connection with the survey of Värmland is to form the basis. The northern part of this region has been taken as typical of central and southern Sweden. For each of these two zones the mean error in determining the area of timber land, of marsh land, etc. at the point where the sample strip reached one kilometre of land of either kind, has been calculated. This mean error expresses the influence exerted by the irregular distribution of the different types of land upon the survey of

the whole surface by the method described above. In applying the law of probabilities the extent of the area which it was necessary to value in order that accurate results might be obtained, was next calculated. In a region of the nature of the northern Värmland it was found that in order to bring the mean error below 1 per cent. it was necessary to value an area of 810 hectares of timber land. Where, as often happens, the forests form 60 per cent. of the total surface, it would be necessary to value an area of 1,350 hectares. The only convenient method, therefore, is to plot symetrically on the surface to be valued a number of regular strips, as was done in the case of the Värmland. For a region of the type of the southern Värmland it would be necessary to value an area of 1,960 hectares of timber, that is a total surface of 4,900 hectares, in order to ensure that the mean error did not exceed one per cent.

Now it has been established that for the determination of the volume of wood it is necessary to make use of a sample area much greater in extent than that which will suffice when only the determination of the area of wooded land is in question. In calculating the valuation areas necessary in the different "Län," the mean errors involved in the determination of the volume of wood have been taken as the point of departure. A valuation of volume with a mean approximation of one per cent. requires in Northern Värmland a valuation area of 4268.4 hectares, and in Southern Värmland of 9,790.6 hectares. It is true that is has not been considered necessary to carry the approximation so far and that an approximation involving a mean error of from 2 to 3 per cent. is considered sufficient; and it is on this basis that the survey of the sample areas necessary in the different districts has been proceeded with. In laying out the sample strips, care has been taken to distribute them uniformly over districts as wide as possible. Thus, in Norrland and in Dalarna the sample strips run in the same direction, namely, NNE - SSW. In the two northern districts they are distant 20 km. and in the other districts 10 km. from one another. In the other districts of Sweden, except in the island of Gotland, the strips are separated by a space of 5 km. In the eastern part of Sweden the strips run E and W; in the western part they run NNW - SSE. In the island of Gotland the strips are not more than 2 km. apart, and run E and W. There is a double reason why the strips should be closer together in the south of Sweden than in the north: the districts of the north are at once more thickly wooded and larger in area than the southern districts. The area which it is intended to survey in the projected scheme is 43,550 hectares.

The Commission calculate that the cost of carrying out the work, if it is to be completed within ten years, will be 818,000 crowns, and 843,000 if it is intended to complete the survey within the space of six years. In these calculations the cost of elaborating the results of the survey has been included.

SWITZERLAND.

LAND IMPROVEMENT IN SWITZERLAND.

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The duty of the encouragement of land improvement by the Confederation was first recognised in the Federal Decree of July 27th., 1884 on agricultural improvements. From that date most of the Cantons have also adopted measures for the encouragement of this branch of agricultural work. In the message addressed to the Chambers on December 4th., 1884, in support of the proposed Decree, the Federal Council defined the duty of the Confederation, declaring that subventions for land improvement might be granted in the case of undertakings of a certain size. The object is the improvement of agriculture, it was stated, not the assistance of the farmers, just in the same way as the prizes for livestock improvement can not be considered as alms. The subsidies must be proved also to be for the general interest.

The expenditure required for the encouragement of land improvement was at that time estimated at 100,000 frs. a year. The cantonal subsidy was to be at least equal to that of the Confederation, the amount of which however, was never to exceed one third of the total expenditure. But the Chambers went further than the Federal Council and in the Decree it was laid down that the subsidies given by the communes and corporations could also be taken into account in estimating the amount of the federal subsidy, which was fixed at a maximum of 40 %.

In 1893 the above Decree underwent revision, as a result of the motion (Curti and others) presented on June 8th., 1891, asking for more favourable conditions for land improvement undertakings for obtaining the fed-

eral subsidies. In its message of November 28th., 1892, the Federal Council recognised that as a matter of fact the credits granted for land improvement had not up to the present been profited by to the degree anticipated. The following figures indicating the amount of subventions granted between 1885 and 1891 show to what extent the credit had been drawn upon :

1885	Fr.	1,456
1886	»	24,814
1887	»	595
1888	»	20,606
1889	»	19,843
1890	»	19,874
1891	»	29,970

However, the Federal Council was unable to favour an improvement of the conditions, in the sense of reducing the charges to be borne by the Cantons and increasing those to be supported by the Confederation. It judged that if the credit was not profited by in larger proportion, that was because all innovations of the kind require time before they become known and popular in the whole of a country, and also because in many cantons no legal provision had been made for the execution of important works of land improvement. The message further established various principles, still in force to-day, such as, a work of land improvement is not to be carried out unless it may be presumed that the increased value of the land due to the improvement will be able to serve for the payment of interest and the amortisation of the capital invested. Consequently subventions can only be allowed by the Confederation in the case of undertakings the return from which may be considered as assured. The State subsidies are intended to facilitate the proper execution of the land improvement works and to ensure the execution of undertakings requiring the concurrence of many land owners.

The message then laid it down that financial participation on the part of the Canton is a *sine qua non* for the grant of the federal subvention. The Confederation must in fact have a guarantee that the plans for land improvements, before being submitted to it, have been examined by the competent authority and that the works will be supervised by it. This object can only be attained if the cantons also have a financial interest in the works.

This view was shared by the Federal Chambers and thus the provisions proposed by the Federal Council were adopted without amendment and were definitely embodied in the law of December 22nd., 1893 on improvement of agriculture by the Confederation.

We reproduce below the provisions in question as well as those of the Executive Regulations of July 10th., 1894.

Federal Law of December 22nd., 1893 on Improvement of Agriculture by the Confederation. (C) *Land Improvement.*

Art. 9. — The Confederation shall subsidise, under the following conditions, undertakings for the purpose of land improvement and the facilitation of agriculture.

(*a*) Applications for subventions must be submitted by the Cantonal Governments to the Federal Council before the work is commenced; these applications must be accompanied with the necessary information in regard to the nature, importance and cost of the works to be carried out, with supporting documents.

(*b*) The subsidy granted by the cantons, communes or corporations must be at least equal to that of the Confederation. The latter must not, as a rule, exceed 40 % of the total costs. The Confederation shall not contribute to the cost of maintenance of the work. In exceptional cases and in case of necessity, a subsidy from the Confederation, up to the amount of 50 % of the real expenditure may also be granted to syndicates and corporations to the works undertaken by which the canton or commune does not contribute or only contributes a smaller amount, provided that the work is well carried out.

(*c*) In each particular case the cantonal government must engage to maintain the works of improvement carried out, reimbursing itself from the communes, corporations or individuals.

(*d*) The federal subsidy shall be paid, as a rule, after execution of the works and their inspection by the federal authority.

Art. 10. — The Federal Council shall every year fix the amount of the subsidies to be granted to the various Cantons, on the basis of the amount placed on the estimates for land improvement.

Art. 11. — The Federal Council may engage the technical staff required for the examination of the applications for subvention and for the chief supervision in this field, as required. The Federation shall contribute to the costs of the preparatory technical works, as provided in article 9. It shall assign to the Cantons, which alone or in concert with other Cantons employ specialists, subventions of amount up to 50 % of the remuneration granted to these functionaries.

Executive Regulations of July 10th., 1894. (C) *Land Improvement.*

Art. 44. — Applications for subsidies towards payment of expenses for works of land improvement must be addressed to the Federal Department of Agriculture before the works are commenced.

With these applications information must be supplied:

(*a*) in regard to the proprietors, the situation (on the Dufour or the Siegfried map) and area of the farms to be improved;

(*b*) the nature, the necessity and the extent of the works to be carried out.

(*c*) the amount of the subsidies granted by the Canton or other corporate bodies having themselves no interest in the land in question ;

(*d*) the person to whom the delegate appointed by the federal authority must address himself before proceeding to study the plan and in order to obtain the requisite information.

Art. 45. — Applications for subsidies for works of drainage or irrigation, road construction, redistribution of parcels, etc., must be accompanied by plans or copies of plans on tracing cloth on a suitable scale (as a rule, 1 : 1,000), folded to the size of ordinary documents (as a rule, 25 × 35 cm. or at most 27 × 40 cm.).

The plans for drainage must show the contour lines, and the depth and slope of the cuttings, the angles of inclination, the calibre of the drain pipes and the points at which soundings have been made and the ground examined.

The plans for the other works above mentioned must be accompanied, as required, by longitudinal and transverse sections.

Applications in relation to the improvement of mountain pastures must be accompanied, if they relate to the land, with outline plans established in accordance with those in the cadastre, if there are any, or the Siegfried map, and, if they relate to buildings, with plans or customary copies (also of the size of documents) and the necessary indications.

Art. 46. — The Federal Department of Agriculture is also authorized in exceptional cases to examine applications not accompanied by definite plans, and, subject to the definite decision of the Federal Council, to take them into consideration and fix the amount of the federal subsidy to be given for the preliminary studies and the preparation of plans and estimate.

Art. 47. — The Federal Council, on the proposal of the Department, on the basis of the plans and the estimate of expenditure, shall decide both in regard to the grant of the federal subvention itself, and the maximum amount or the contribution of the Confederation, within the limits of the maximum fixed by the federal law of December 23rd., 1893 on improvement of agriculture by the Confederation. For the estimate of the federal subvention account can only be taken of the actual expenditure shown in the accounts.

Art. 48. — The Canton, when it accepts the federal subsidy, shall engage for the supervision of the work by competent men and assure its maintenance in good order.

Art. 49. — The amount of the subsidies that can be granted for the remuneration of the agricultural engineers engaged by the Cantons shall be fixed by the Federal Council. These subsidies shall only be paid in proportion to the work done by the officers or employees in connection with rural engineering.

The only new provision in the law of 1893 still in force relates to the grant of federal subsidies up to a maximum amount of 50 %

(*a*) of the expenditure required for the execution of land improvement works by syndicates or corporations receiving no subsidy, or an insufficient amount, from the Canton or Commune,

(*b*) of the remuneration granted to the cantonal agricultural engineers.

The Federal Council, however, has not thought fit — in consideration of the consequences it would entail — up to the present to avail itself of the right of granting subventions to undertakings not benefiting by an allowance from third parties not interested. And it is only in exceptional cases such subventions could be granted. On the other hand, contributions out of the federal funds have been made towards the remuneration of agricultural engineers ; these grants have induced more than half the cantons to found land improvement services.

While in 1895 there were only two cantons that had rural engineering bureaux, in 1912 there were thirteen. The contribution of the Confederation towards the remuneration of the technical staff of these bureaux in 1912 was 42,877.40 frs. It is evident that the effect of the foundation of these bureaux on the plans of land improvement has been good; the plans are now better prepared and better thought out than those formerly presented, the authors of which often had not the necessary technical knowledge. We may say that now the proposals submitted to the federal authorities are almost all made out after a perfect system. Their number has increased considerably. When the farmers could see for themselves the results obtained by such or such an undertaking for land improvement, other projects were started everywhere on the landowners' own initiative. In this field also example has done more than precept. Some cantons have also established a rural code the provisions of which have largely assisted the formation of new undertakings. We give below a few figures to show the increase in the number of undertakings promoted and carried out.

1885	10	1905	308
1890	40	1910	311
1895	133	1912	419
1900	159		

The amounts of the federal subsidies paid for undertakings carried out have increased in even larger proportion, although the conditions for the grant have not been changed.

The payments made were as under :

	Frs.
1885	1,456
1890	19,874
1895	181,389
1900	341,189
1905	477,573
1910	662,619
1912	1,273,233

Whilst the principles followed in granting the subsidies have remained the same, there were some changes made in respect to the calculation of the rate of the subvention, between the year 1885 and 1912.

At first, the subsidies sometimes amounted to 40 % of the actual expenditure (all legal conditions being satisfied). In time, the maximum subsidy was only very rarely granted, since the credit granted by the Chambers, though it had been considerably increased, had to be economised owing to the increase in the number of applications for subventions. It is true that, in establishing the federal subsidy, the amount of the cantonal subvention has almost always been taken into full consideration, whilst account was not taken, or only to a certain degree, of the subsidies granted by the communes or corporations. Especially were the subsidies refused when money was advanced by anyone who had interest of any kind in the undertaking.

The amount of subvention is calculated, within the limits allowed, according to the expenditure for the preparation of the scheme and estimate, the outline plan, the execution of the work and its immediate supervision.

On the other hand, no account can be taken for the purposes of the federal subsidy:

(1) of expenses in connection with other preliminary works, the time taken by the authorities, the sessions of commissions, loans, interest etc;

(2) of expenditure occasioned for purchase of land, unless the parcels had to be bought from third parties not interested in the undertaking and to ensure the execution of the proposed improvement works;

(3) the value of the materials supplied by the owners of the land to be improved, such as wood, stones, gravel or sand, or the value of the labour they supply, except in the case of syndicates working under the constant supervision of agents of the State, and when the work has not been in preference given out on contract;

(4) of very small undertakings for which the expenses of study, supervision and execution of the work as well as the permanent supervision of its maintenance would be out of proportion to the real yield;

(5) of trenching land, sowing and any other preparation for farming;

(6) of the extirpation of weeds or plants other than ligneous;

(7) of the planting of hedges or the erection of wooden fences.

As a rule, undertakings, requiring the formation of special syndicates, benefit by large subsidies; in fact, as the formation of these associations is often impeded by the expenses, it has to be encouraged. In the same way, if, owing to special circumstances, a scheme necessitates expenses out of proportion to the area, volume etc., it is attempted to reduce them by the grant of a higher federal subsidy.

This financial intervention of the Confederation in behalf of land improvement, which has met with unhoped for success, was most happily completed by various provisions of the Swiss Civil Code (Federal Law of December 10th., 1907).

Thus, articles 690-693 establish the principle that a landowner is obliged to receive the water drained off from a higher holding and establishes the conditions;

Articles 702 and 703 make the participation of the landowners interested

in various undertakings for land improvement, including the redistribution of parcels, obligatory under certain conditions;

Articles 802-804 contain provisions relating to the transfer of the mortgages on real estate at the time of the redistribution of parcels.

Articles 820 and 821 create preference rights in favour of mortgages constituted in consequence of the increased value of a holding due to the improvement of the land;

Finally, article 954 provides for the exemption from payment of charges for entries in the land register in consequence of land improvement or of exchange of land for the purposes of readjustment.

It is true that the effect of the provisions we have just mentioned will only be felt in the course of years. The results obtained up to the present in land improvement are due to the various measures previously adopted by the Confederation and the Cantons amongst which the grant of subsidies is of most importance.

In the period from 1885 to 1912 the following works were carried out with the help of the federal subsidies:

A. — *Land Improvement in the Plains.*

		Total Expenditure	Federal Subsidies
1. Drainage and Irrigation	fr.	13,322,701	3,803,692
2. Road Construction	»	2,279,384	679,088
3. Redistribution of Parcels.	»	2,822,337	1,036,127 (1)
4. Other Land Improvements . . .	»	2,339,544	625,726
Total . . .	fr.	20,763,966	6,234,633
B. — *Improvement of Alpine and other Pasture Land*	fr.	14,108,687	3,245,305
Total . . .	fr.	34,872,653	9,479,938

In spite of all the measures passed for the encouragement of land improvement, the number and importance of these undertakings in Switzerland would not have beeen so great if the farmers had not been stimulated by

(1) See in this connection the article by M. Disereus "*The Restriping of Holdings: its Present State and Practical Results*" in the *Monthly Bulletin of Economic and Social Intelligence*, IVth. Year, March, 1913, pp. 128-152.

example. Many schemes, among which we include also those executed without State subsidies, were only undertaken after the parties concerned were able to see the results obtained by other land improvement works.

Nevertheless, there is still much to be done in this field. Apart from numerous small undertakings there are also large land improvement schemes awaiting execution. It is evident that many of them cannot be studied before the work of the regulation of streams, which often has to precede the work of land improvement, has been carried out. Now many streams have been regulated in the course of the last few decades ; so it is possible to begin and bring under cultivation large areas, the increased yield of which will in some part justify the heavy expense of this regulation.

As the produce of the soil increases and the land is better worked, it will provide work for more labourers and support a larger population. The rural exodus will also be checked and the population will be better assured of its food supply. Any sacrifices made will thus have been made in the interest of the country itself and for the protection of the State. They will constitute a well invested capital, which will yield a large interest for Swiss national economy.

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In order to complete the information here given in regard to (A.) *The Land Improvements in the Plains* and (B.) *The Improvement of Alpine and other Pasture Land*, carried out with the help of federal subsidies, we summarise in the following table the works carried out between 1885 and the end of 1912, grouping them according to the nature of the improvements.

Land Improvement in Plains and on Mountains between 1885 *and the End of* 1912.

According to the Nature of the Improvement.

Nature of the Improvement		Area or Length	Work Carried out: Number	Work Carried out: Expenditure Entitling to Subventions	Subventions from: Confederation	Subventions from: Canton	Subventions from: District, Commune, or Corporation
				Fr.	Fr.	Fr.	Fr.
(A) *Improvements in the Plains:*							
1. Drainage	ha.	16,654	1,484	11,451,805	3,273,438	2,854,456	645,159
2. Irrigation	ha.	4,627	57	645,304	215,835	19,451	213,564
Irrigation Canals, "bisses" etc.	m.	27,646	14	267,317	91,668	21,982	73,000
3. Canals and Canalisation	m.	98,803	73	958,275	312,751	271,010	52,458
4. Redistribution of Parcels	ha.	6,893	133	2,822,337	1,036,127	740,863	345,844
5. Road Construction	m.	227,302	155	2,279,384	679,088	467,874	470,910
6. Restoration of the Condition of Land. Warping etc.	ha.	1,439	209	1,657,229	423,189	349,235	77,978
7. Other Improvements	—	—	213	682,315	202,537	161,340	50,372
	—	—	2,338	20,763,966	6,234,633	4,886,211	1,929,285
(B) *Improvement. of Alpine and other Pasture Land.*							
1. Drainage	ha.	760	250	632,830	143,822	134,271	12,971
2. Irrigation	ha.	304	42	52,831	15,999	7,368	11,606
3. Canals and Canalisation of Streams	m.	(m.8,723) 6,832	(7) 10	35,984	8,991	7,683	2,017
4. Road Construction: Roads for Manure etc.	m.	398,818	442	1,010,148	242,922	207,849	57,407
Alpine Roads	m.	657,851	169	2,802,970	685,846	583,230	169,015
Aerial Ways	m.	54,202	22	89,972	21,980	20,382	4,612
5. Building of Chalets	c. m	134,507	955	5,762,046	1,287,375	1,069,221	294,950
Manure Pits	c. m	3,547	132	135,044	26,710	24,694	2,469
6. Enclosure and Retaining Walls	m.	91,258	181	341,087	77,271	73,711	7,255
7. Clearing and Removal of Stones	ha.	6,699	595	1,024,009	231,013	197,506	52,853
8. Water Pipes and	m.	620,409	896	1,964,304	448,886	354,221	135,878
Tanks e.c.	c. m	3,634	90	189,726	39,392	36,482	3,111
9. Other Improvements	—	—	13	67,736	15,098	15,027	—
	—	—	3,803	14,108,687	3,245,305	2,731,665	754,142
(*A*) Improvements in the Plains	—	—	2,338	20,763,966	6,234,633	4,886,211	1,929,285
(*B*) Improvement of Alpine and other Pasture Land	—	—	3,803	14,108,687	3,245,305	2,731,665	754,142
Total	—	—	6,141	34,872,653	9,479,938	7,617,876	2,683,427

To supplement this table we reproduce below the figures for the total expenditure of the Confederation on land improvement between 1885 and 1912, as given in the *Annuaire agricole de la Suisse* (fifteenth year, 1914), published by the Federal Department of Agriculture.

Expenditure on Land Improvement, 1885-1912.

Years	Federal Subsidies to Undertakings	Federal Subsidies to Rural Engineers. Contribution to Salary	Expenditure for Survey	Contribution to the Land Improvement Fund	Total according to the State Accounts
1885-1912 . . .	10,155,764	372,295	47,936	180,039	10,756,036

The slight difference in the figures in these two tables is due to the inclusion of the advances to undertakings not yet terminated in the total amount shown in the second table.

The "*Bericht des Schweizerischen Handel-, Industrie-und Landwirtschaftsdepartement*" for the year 1914 contains information relating to the subventions granted by the Confederation in the years 1913 and 1914 for land improvement in 23 cantons. The following table gives a summary.

Number of Cantons	Year	Number of Schemes	Subventions Assured	Subventions Paid
23	1912	419	1,471,960	1,273,232
	1913	330	1,217,392	1,114,047
	1914	275	1,227,102	1,142,528

RUGGERI ALFREDO, gerente responsabile.

INTERNATIONAL INSTITUTE OF AGRICULTURE

BUREAU OF ECONOMIC AND SOCIAL INTELLIGENCE

MONTHLY BULLETIN OF ECONOMIC AND SOCIAL INTELLIGENCE

59th. VOLUME

VIth. YEAR — NUMBER 11

NOVEMBER 1915

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Part I: Co-operation and Association

DENMARK.

CO-OPERATIVE DAIRIES IN DENMARK.

(This Article has been prepared at our request by the Danish Bureau for the International Institute of Agriculture).

OFFICIAL SOURCES:

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LE MOUVEMENT COOPÉRATIF EN DANEMARK. Publié à l'occasion du 1er Congrès international des associations agricoles et de démographie rurale (*The Co-operative Movement in Denmark. Published for the 1st. International Congress of Agricultural and Rural Demographic Associations*). Brussels, 1910. Copenhagen, 1910.

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§ 1. Historical summary.

During the last 25 years of the last century the competition of America was very much felt on the European market, and Denmark, an eminently agricultural country, was one of those to suffer most severely. Then, as now, Danish farmers were forced, in view of the relatively insignificance of the national market, to endeavour to find a sale abroad for a large part of their produce, and thus to depend to a considerable degree on the prices on the international market. Up to that time, the cultivation of cereals had formed the basis of Danish agriculture, for the high price of the produce, had made it especially remunerative, and then the new methods of farming, marling, and technical improvements had increased the yield of the soil, without it, however, being necessary to manure it more abundantly. It is true people began to see that they must not deceive themselves in regard to the possible duration of such intensive farming; that the exclusive cultivation of grain must be abandoned and that livestock improvement deserved greater attention; but between 1870 and 1880 the most prominent farmers still considered the sale of grain as the principal source of their revenue and livestock improvement only as an auxiliary industry, necessary in order to obtain the manure indispensable for the soil. But American competition began to be felt precisely on the grain market, causing a considerable and lasting fall in price, whilst animal produce was still sold at almost the same figure as before. The following table clearly shows the fluctuations in prices.

Average Prices shown by the "Kapiteltaxst" (1)
for each ten years' period between 1860 *and* 1910.

	Grain				Animal Produce	
	Rye	Barley	Oats	Wheat	Butter	Pork
	—	—	—	—	—	—
1860-70	12.83	10.06	6.72	17.44	0.65	0.43
1870-80	13.77	12.18	8.05	18.98	0.84	0.53
1880-90	11.87	10.06	7.20	13.74	0.90	0.51
1890-1900	10.52	9.36	7.02	11.52	0.95	0.46
1900-1910	10.77	10.28	7.36	12.38	0.99	0.55

These reduced prices necessarily led to a change in the class of production. It was not possible in Denmark, as it has been in various other countries, to protect the national grain production artificially by means of prohibitive customs dues, for the country exported grain in excess. Dairying and livestock improvement had henceforth to be the basis of agriculture; but it was necessary for the purpose completely to reorganize agriculture. A change of this nature was in some sort facilitated by the fact that the

(1) Figures shown in the "Kapiteltakst", that is to say the official Registers, as the average for the Kingdom.

supply of livestock had been gradually increased, as the consequences af an exclusive and exhausting cultivation of grain were perceived; but, on the other hand, agriculture was threatened with a crisis, the whole bearing of which it was not easy to appreciate, for the large land owners could indeed reorganize their farms with comparative ease (they had already a large supply of livestock, and comparatively perfect dairies, which allowed of their receiving good prices for their butter), but it was quite otherwise in the case of the small and medium sized farms, which preponderate in Denmark. On these farms, independent dairying as carried on by the large farmers, and up to now also on properly managed farms, could never have been remunerative. On the one hand, the equipment and working would have been too costly in proportion to the production of milk; on the other, the butter could not have been sold under suitable conditions, unless large quantities of uniform quality could be continually supplied. The butter had to be sold to local purchasers, who had to sort it, manipulate it and pack it for export. Under such conditions it was not to be expected that it could reach the foreign consumer sufficiently fresh, without taking into account that all this passing through different hands, while itself expensive, must reduce the producer's price. Generally, also, the dairying was not carried on scientifically on the small farms and the butter the peasants supplied was extremely inferior in quality and its sale on the English market almost impossible. In this way, Danish butter generally lost the reputation it had had, so that even excellent well made butter from the large landed gentry's farms, had to go abroad under borrowed names, as "*Kieler-butter*" (Kiel butter). The ordinary price of the peasants' butter in the country itself was from 40 to 60 oere per kg. less than that of good butter from gentlemen's farms, and the price of the peasants' butter was always far lower, even if it happened to be as good as the other.

Whilst the low price of grain inevitably drove them to the dairy industry, the owners of small and average farms found themselves obliged to reorganize their dairies completely, so as to raise the quality and price of peasants' butter to the level of the quality and price of that of the gentry. This was the fundamental condition for the desired transformation and necessarily implied the adoption of dairying on a large scale. That had not been possible as yet, and the small farmers had not been able to profit like the large landed gentry by the new conquests made in practical science by Professors Th. R. SEGELCKE and N. G. FJORD of the Higher Agricultural and Veterinary School. It was due to the work of these professors that the butter of the landed gentlemen's estates became equal in quality to that of Holland, considered up to then as the model, and that its value was recognised abroad. This persistent activity provided a solid basis for the introduction of dairying on a large scale, which was also favoured on the technical side by the invention of the centrifugal cream separator (1). It thus became possible to

(1) A continuous working automatic centrifugal cream separator was first constructed by the Danish mechanician, L. C. WILSEN, and in the course of subsequent years it was so far improved that it is still today in use.

treat large quantities of milk rapidly and properly, and to make good butter for export, whilst at the same time the milk yielded 10 % more butter than by the former methods.

Towards 1880, a large number of dairies worked in common, called *Faellesmejerier* were founded; consortiums, or private individuals equipped dairies for their own account, and bought and collected the milk of the farmers of the neighbourhood. These dairies, however, as a rule, lasted only a short time. For want of capital, the equipment was often at first insufficient and the work could only proceed by means of large loans at too high interest. Any possibility of returns from these private undertakings was prevented by the intense competition and the very imperfect means of communication available, which implied too high cost of transport. It was besides difficult to induce the suppliers who were not directly interested in the yield of the dairy to give all the necessary attention to the manipulation of the milk and above all to provide milk that could give butter of good quality. The owners of dairies, who, above all in view of the serious competition between them, were dependent on their suppliers, could not guarantee themselves against loss through too thin or actually adulterated milk, as they did not yet base the price on the quantity of butter fat in the milk. It was, finally, difficult to find suitable utilisation for the separated milk and whey, which had to be used for making cheese or as food for pigs. Cheese-making became soon, owing to excessive production, unremunerative; then the whey, available in large and increasing quantity should have been utilised for feeding pigs, but the stock of these animals would have had to be increased to such an extent, and the expense of equipment and of purchase of grain and other supplementary cattle foods would have been so great that the finances of the dairy would not have been sufficient.

It was soon seen, for the above reasons, that this manner of collective dairy farming could not succeed or, in any case, not as quickly as the situation demanded. Association among the farmers could alone attain the end contemplated. The first co-operative dairy was founded in 1882 and the extreme rapidity with which the example was followed in every part of the country showed clearly enough that the right course had been at last adopted. Ten years later there were no less than 800 co-operative dairies and many districts had already the maximum number their dairy produce would allow. The good example could not have been followed more promptly.

The co-operative dairies escaped the difficulties that had impeded the progress of the dairies worked in common. The members having a joint interest in the dairies, and being consequently jointly and severally liable, it was always possible to obtain the capital in the proportion necessary at reasonable interest. The separated milk and whey, the utilisation of which had been a difficulty for the dairies worked in common, were returned to the producers, who were thus enabled to use them on their own farms for feeding calves or pigs. It was besides of the greatest importance that the producers of milk should be immediately interested, through their co-operative dairies, in the making of the butter. Each producer had thus a positive

interest in supplying the purest and best manipulated milk possible, and had also every interest that his neighbours and those jointly interested with him should not be able to reproach him with having supplied bad quality milk. These circumstances necessarily assured the victory of the co-operative system. It must further be recognised that if this system has obtained such popularity and has been so successfully applied that it is difficult to find in these years a single case in which the work of the co-operative dairy has had to be abandoned, or has not given a profit, it is due to other than these purely economic reasons. The scientific work of the above mentioned professors must not be forgotten. Their work consisted above all in experiments carried out on an extensive scale in well managed dairies belonging to large farmers and in close co-operative relation with the agricultural organizations. Frequently farmers have placed their farms at the disposal of scientists for the purpose of experiment, receiving no compensation except for the expenses really incurred. This intimate co-operation of scientists and practical farmers led not only to practical and scientific results of the first importance, but also to the publication of these results, at the same time as it aroused and maintained among the people a lively sympathy for and a real interest in scientific dairying. Such being the situation, under the pressure of economic conditions, an example, — a successful effort, — sufficed to start the movement and assure the rapid progress of the new organization. The combination of theory and practice, which is a trait perhaps characteristic of Danish agriculture, has had an essential part in developing dairying, especially at the beginning of the work of the co-operative dairies. It was almost always the scientists who devoted themselves to the solution of the problems involved in the practical development of the dairies and prepared the way for their progress ; but it was the practical men who intelligently applied their theories.

The schools of agriculture and the higher popular schools have not been of less importance : it is from them that a generation of young peasants has come forth, intelligent, skilful and well informed, who have been able to organize and manage the new co-operative societies, although the multiform duties of the manager of a dairy differ so profoundly from the ordinary work of a farmer. The schools have also prepared a large number of dairy assistants who have become technical managers of dairies.

The rapid and assured progress of co-operative dairies has been much facilitated by the fact that the movement from the start took so reasonable and practical a course. The first of these societies could in all essentials be taken as a model for the rest, as regards both its co-operative and its technical organisation. Add to this, the thrift and economy that characterised the earliest undertaking. The buildings were small and unpretentious, the equipment as simple and limited as possible. Perhaps, it was found, later on, that there had been an excess of economy ; but this parsimoniousness in any case prevented perilous reverses and at the same time permitted the societies, in proportion as the constantly larger number of adherents and the increasing supply of milk made it necessary to enlarge

the buildings, to introduce new and improved machinery and make other improvements without being hampered by the amount of capital invested in the original equipment. This was the more important, as precisely during these early years, great advances were made in the technical field.

Many reasons therefore contributed to the rapid progress of co-operative dairies. The details of this progress are not known to us. We possess no statistics for the early years. According to the industrial census of 1906, the 1,070 co-operative dairies then existing were distributed as follows, according to the date of their foundation.

Year of Foundation	Number of Co-operative Dairies	
	Total Amount	%
Before 1886	86	8
1886-90	628	58
1891-95	169	16
1896-1900	119	11
1901-05	68	7
Total	1,070	100

Thus most of the co-operative dairies were founded between 1886 and 1890. Since the latter date the number of new foundations has continually decreased, but a certain number of new societies have been formed by the division of those already existing; at the same time the dairies worked in common and those on gentlemen's estates have continually decreased in number and have lost their importance. We show below the number of dairies of each kind.

	Year 1900	Year 1909
Co-operative Dairies	1,029	1,157
Dairies Worked in Common	266	235
Dairies on Gentlemen's Estates	264	90
Total	1,559	1,485

At the same time, the proportion of farms with cows registered with the co-operative societies increased from 82.3 % to 97.1 % of the total number of farms, and the proportion of the number of their cows to those in the whole country increased from 80.9 % to 84.3 %, and this progress has doubtless continued during the years that have followed.

As we have seen, it is above all the small and medium sized farms that profit most by co-operative association and have been registered in largest number; and although the large farmers have also begun to join the co-operative societies in constantly increasing number, still the figures for 1909 show that they sometimes still hesitate. The following table gives an idea

of the degree to which farms of different size had joined the co-operative dairies of the country in 1909 ; and by way of comparison we show the corresponding proportion for 1903.

Area of Farms	Farms		Cows		
	Number in 1909	Proportion Affiliated to Co-operative Dairies	Number in 1909	Proportion Registered with Co-operative Dairies in 1909	Percentage Corresponding for 1903
0-0.55 ha	1,744	70.1	2,741	67.5	52.0
0.55-5	54,001	84.9	130,068	86.3	82.8
5-15	49,084	88.1	236,757	88.9	84.9
15-30	35,694	90.0	319,154	90.8	88.4
30-60	23,958	88.9	317,821	88.0	86.3
60-238 »	6,863	82.8	156,983	73.9	72.2
above 238 »	575	49.0	63,264	38.8	37.1
Total . . .	171,949	87.1	1,226,788	84.3	81.3

This table shows that the proportion of owners of livestock affiliated to the co-operative societies goes on increasing, even in the case of large farmers, and certainly since 1909 this progress has not ceased. This shows in what degree the co-operative dairies have been able to raise the peasants' butter to an equality with that of the gentlemen; and is also proof of the absolute confidence of the large farmers in the strictly democratic management characteristic of the dairies, which is the more striking and characteristic when we consider that the large majority of the farms are small, as is shown also by the table. The peasants could not show in a more effective way how capable they are of playing the part of organizers and conducting the management of societies with wisdom and enlightenment, equitably and conscientiously.

In 1909 the total milk production of the country was reckoned at 3,400,000,000 kgs.; of which 2,620,000,000 kgs. (or about 77 %) were treated by the co-operative dairies. This percentage is slightly inferior to that shown for the cows on the farms, because no account has been taken of the milk consumed on the farms themselves. In 1909 the producers received for the milk consigned by them altogether 227,000,000 crs. The gross total of the business amounted to 250,000,000 crs. In 1913 it was estimated at 290,000,000 crs.

§ 2. Internal organization of the co-operative dairies and their central organisations.

The dairies of all the country are characterised by great uniformity both as regards co-operation and admistrative organization. The proportions may vary but the forms are almost identical. This uniformity has existed from the start, and it has gradually become more marked, being stimulated and encouraged by the strict co-operation that was soon established among the dairies in their several departments. The numbers of cows at the disposal of the societies varies from 200 to 2,000; but most usually from 800 to 1,200. According to the industrial census of 1906 the average quantity of whole milk received by a society was 2,100,000 kg. for an average number of about 880 cows. In recent years, large co-operative societies have often been subdivided to form smaller societies, though the latter have comparatively high working expenses, and can only with difficulty equip themselves in modern style. They are often obliged, for example, to employ ice safes instead of refrigerators. In an economic sense there is no justification for this subdivision, but the farmers want to have their milk returned to them as soon as possible, which is a quite legitimate desire, above all in the case of those who live at the greatest distances, who are subjected to the double inconvenience of having to deliver their milk earliest, and have it returned latest. At times a certain local patriotism manifests itself, and when business is good, the surplus expense is readily met. These subdivisions, however, have not been in proportion to the increase of the milk received by the societies, which is due to the increase in the number of cows and the increased production per cow.

A co-operative dairy is generally founded for a definite period of time, varying from 10 to 15 years. During this period, the farmers engage to supply all the milk they produce, except what is consumed on their farms or sold retail to their neighbours. They recognise themselves also as jointly and severally liable for the engagements of the society, on the principle, " all for each and each for all ", in proportion to the number of cows they each possess.

On this basis, the funds required are generally raised by means of a loan from a bank or savings bank, so that the members need pay no contribution. Interest and sinking fund is paid out of the profits of the business. The initial capital is generally from about 30 to 40 crs. per cow.

The members can only be relieved of their joint and several liability before the expiration of the term fixed for dissolution of the society, in case of death or the sale of their holdings, or by vote of the General Meeting. At the end of the period fixed, a new society may be formed for a new period, to include all the old members or only such as desire it. For the purchase of the dairy from the former members, a new loan is contracted, the

amount being distributed among the producers in proportion to the quantity of milk supplied by each, in the whole period of working. The period for which the members engage varies generally between 10 and 15 years, in recent times, however, there has been observable a strong disposition to reduce this period to 5 years.

The supreme authority in the business of the society is the General Meeting, which is, as a rule, only called once in six months. The rules often provide that the decisions of the General Meeting cannot be impugned in a court of law, a provision which has the force of law. The members have almost always the same voting rights, irrespective of the number of cows they possess. For this reason, the large landholders long hesitated before entering the co-operative societies; but now they feel no difficulty about entering, and independent dairies on gentlemen's estates are becoming, as we have said, rarer and rarer.

The Board of Management of the Society deals with the daily business, the bookkeeping, the cash, the administrative supervision etc.; it is generally appointed for two years, and is often rather numerous, for it is usual for each member of the Board to make the monthly payments to the members of his district; so it is natural that each clearly defined geographical district should desire to have a representative on the Board. The Board appoints the Technical Manager (*Mejeristen*) who is entrusted with the direction of the daily work of the dairy, and the keeping of the accounts. Formerly, all the rest of the staff were also as a rule appointed by the Board; but this was found inadvisable. The technical manager now receives a fixed amount with which he must provide himself with the assistance he requires; this system has proved the best possible.

The dairy undertakes the collection of the milk and its return to the producers. In this way the producers who live further away do not pay more for the carriage of the milk than those near at hand, which contributes greatly to the maintenance of good relations between the various members, and is assuredly also a reasonable system, for the situation of the dairy is often accidentally determined, and any subdivision of the society would in any case be contrary to the interest of those who live nearest.

As a rule, the dairy only supplies and keeps in good order vehicles suited for the transport of milk; tenders are invited for the contract for transport itself, for periods of one year or six months. In this way, the dairy has not to keep horses.

The vehicles generally make one journey a day, and only in certain localities two, keeping to a fixed itinerary, and the producers are bound to bring their milk early to the road, so that they may go on again without delay. Producers who do not live on the road followed by the vehicle generally receive a certain sum in compensation for every 1,000 kg. of milk they supply. However, the route is so arranged as to serve the large producers directly. The vehicles must reach the dairy in a fixed order, at hours established, so that the milk may be weighed and separated as rapidly as possible, without interruption and useless delay, and each,

as the work proceeds, must be ready to start again to return the separated milk and whey to the producers. When the profits are divided, it is a fundamental rule that the division shall be in proportion to the amount of milk supplied. At first this division was made after a very imperfect fashion, and in some places this continued for a long time; it was based only on weight and not on the amount of butter fat in the milk. This was a matter of specially great importance, above all for the numerous small producers owning few cows, in whose case the amount of butter fat in their milk might vary within very wide limits.

This was one of the first problems science had to deal with, and it was promptly solved, by the construction of an apparatus which allowed of the amount of cream in a large number of samples of milk being determined by means of a single observation. Most of the dairies then began to calculate the value of the whole milk supplied in accordance with the amount of cream or butter, on the basis of the current price of butter. This method, very good and reasonable in itself, which possesses the advantage of preventing any adulteration, has also a great merit which will only be greater in the future, as it draws attention to the advisability of only rearing cows which give rich milk, and of exercising quite special care in the selection of good bulls. This method has also inspired the constitution of "control" societies, which, in their turn, have favoured the change to the new system of distribution of profits. The latter system is in use in almost all the co-operative dairies, whilst most of the old dairies worked in common have remained faithful to the old system.

The calculation of the value of the milk is based on the regular control of the milk of the various producers, generally tested twice a week; however, the distribution is effected, according to various methods, more or less accurate and complete. The simplest process, which has fairly recently been introduced and has become widespread on account of its simplicity, is to multiply the weight in pounds of the milk by the percentage of cream ascertained, and distribute the price of the butter in direct proportion to the number of what it has been agreed to call "cream units" thus arrived at.

In this way, it is only necessary to divide the amount the whole milk has yielded in butter produced and milk sold; payment is made once a month. As regards the separated milk and whey the dairy does not sell, and does not use for cheesemaking, but the producers are bound to take back, the value is ascertained quite differently. The milk is returned in proportion (up to a certain point) to the whole milk supplied, at a given price, which is very low, and which, while in some degree corresponding with its value as food for cattle, does not take special account of that, and is calculated so as amply to cover the working expenses of the dairy. Generally, the price is calculated so as to leave a large margin of profit. This is distributed annually or half yearly according to the same rules as govern the sale of the butter.

The separated milk and whey are paid for by means of deductions from the monthly contributions. Deductions are also made for butter and cheese

bought by the producers at the dairy, as well as for expenses the dairy has been put to for the account of the producers as, for example, the tinning of the cans used for carrying the milk. In dairies which also engage in the co-operative sale of cattle foods, a practice which may be regarded as generally diffused, there is a further provision that the department for co-operative sale of cattle foods may, if the producers of the society are debtors up to a certain amount for the purchase of cattle foods, keep back the whole or part of the price of the milk or the surplus profit.

The rules of the dairy provide that its members shall only supply pure and natural milk and never supply milk from sick cows or from those that have too lately calved. Often also the employment of certain kinds of cattle foods, known to have a deleterious effect on the quality of the milk, is forbidden. In several districts the milk supplied by each farmer is analysed at regular dates, for example, once a week or once a fortnight. The " Societies for the estimation of the value of milk " (*Milchbeurteilungs-vereinen*) have shown great activity in extending this system. One or more local or itinerant experts are charged to give their estimate. The result is expressed, by means of a series of points, in certificates of three different classes. This result is communicated to the producers in the monthly statement of their accounts. This urges them to correct possible defects in their production, and to furnish milk of the best possible quality ; and the effect obtained is the more certain as it is almost impossible to prevent the result of the judgment becoming known to the neighbours. It has been found that, where this system has been adopted, the quality of the milk has considerably improved, and this improvement disappears at once when the system is abandoned.

This system has still difficulties to overcome ; it is not easy, for example, to prevent the judgment passed on the milk, more or less formally, from having the appearance of personal criticism and giving rise to ill feeling ; which in several localities has led to disagreeable consequences. It is easy for the technical manager of the dairy, in weighing the milk of the various producers to discover the grosser defects, such as an insufficient supply of cans, sometimes rusty cans, dirty or malodorous milk etc. His task has recently been considerably facilitated by the fact that the milk is now poured into special recipients in order to be weighed, whilst formerly it was weighed in the cans, the weight of which had afterwards to be deducted. When gross faults of the above kind have been discovered, the suppliers are at once informed, and invited to amend them without delay. Often, a communication of this character is made by letter, or by a note pasted on the can, when the separated milk is returned. Of course milk not suitable for the purpose is in no case accepted for the making of butter ; in the most serious cases, or when remonstrances have been ineffectual, the Board of Management has the right to suspend the producer from membership of the society for a time or permanently to expel him ; but generally a warning suffices to prevent the repetition of the offence for a long time, even in the case of the least conscientious producers.

Attempt has been made to introduce a principle by means of which a

certain price may be assigned to milk of a certain quality, but it has not been possible to get it accepted. It is extremely difficult and often impossible to establish a fixed and permanent relation between the quality of the milk and its value for the production of butter. On the other hand, in certain localities a whole system of fines has been introduced, by means of which producers supplying specially bad milk are paid reduced prices for a certain time, or until there is a real improvement.

As security for their various interests and common work, several leagues have been formed among the co-operative dairies. The co-operative movement in Denmark has produced a large number of these leagues, as the organization is founded on the principle of the division of labour, which aims at assigning as far as possible each special and definite function to a special association. In accordance with this principle, no single central organization is to be found in the field of dairy industry, but, in its place, we see a whole series of organizations enjoying equal rights, closely associated, but at the same time completely independent of one another in their work.

The work effected by means of this close collaboration may be considered in its principal aspects more attentively on a future occasion. We shall now only summarise in a few words the principal duties of these Central Societies, showing their numbers and their importance and consider more in detail a special institution, to which we shall not have an opportunity of returning.

(1) As regards the co-operative sale of dairy produce, there is a series of societies for the export of butter, formed among federated dairies engaging to sell the butter they wish to export through the medium of the society in question, and to accept joint and several liability in regard to the production of butter. In general, non-co-operative dairies may also be members of these societies. The first such society was founded in 1888. Now there are six, in various districts of the country; they associate 275 dairies, and the total annual business done by them is about 43,000,000 crs.

(2) As regards the co-operative purchase of dairy machinery and other industrial apparatus, 175 dairies united in 1901 to form the "Co-operative Society for Purchase and Manufacture of Machinery for Danish Dairies." This society has 20 sections, and 851 dairies are now affiliated to it. The total annual business done by it is about 2,200,000 crs., half in connection with the manufacture of machines and half in connection with co-operative purchase. The members of the society are in no way obliged to make purchases. The society was first of all only a co-operative society for the purchase of ordinary articles of trade; but it soon began to occupy itself with the purchase of dairy machinery requiring to be specially fitted up and a workshop for the purpose, and began actively to manufacture the machines themselves. This was arranged by taking over the succession to a former private, well organized business, the former proprietor of which was appointed technical manager, which assured the society from the start of the necessary administrative and technical competence. The

society could thus be placed on a footing of equality with competitors at home and abroad, and fulfil the task it has assigned to itself, consisting not so much in manufacturing the best machines and implements as in directing the business on healthy and honourable lines, at the same time avoiding all the various costs of advertisement, travellers etc., that the competition of private undertakings necessitates.

(3) The dairy societies occupy themselves with the encouragement of the dairy industry, both from the technical and the economic point of view and especially with the protection of the interests of the industry abroad. Their activity and efficacy, on which for the moment we shall not insist, is guided by the representatives of the dairies concerned. Most of the dairy associations were founded between 1890 and 1900 ; today there are altogether 21, with a total of 1,128 affiliated dairies. The local societies have federated and formed three provincial associations for the three chief regions of the country, and have also become affiliated to the " General Organization of Danish Dairy Societies." This organization occupies itself with business of general interest, such as the answers to be given to questions eventually put by the legislative authorities or the Government, in regard to the laws and regulations relating to the dairy industry and represents the interests of that industry with third parties. This central organization has also other important functions relating to farming statistics and statistics of prices of butter, butter quotations, etc. as will be explained hereafter. The presidential office of these bodies is composed of the managers of the three provincial associations above mentioned, and four members appointed by the Committee of Representatives (*Repræsentantskabet*) ; each local dairy society appoints a representative for every 20 members, and he has a seat on the Committee. The Committee of Representatives is invested with supreme authority and elects the President of the Organization.

The Dairy Associations must not be confused with the Association of the Technical Dairy Managers (*Mejeristforeningen*), which is a league of the Technical Managers and their assistants. Its organization is similar, as it has provincial sections and a sphere of action coinciding in part with that of the dairy associations and on many occasions has collaborated with the dairy associations.

(4) Sometimes independently, sometimes in dependence on the dairy associations, the associations for the estimation of the value of milk perform the work already described. There are 14 of them, affiliating 258 dairies.

(5) As a central independent organization of several sections of the Technical Dairy Managers' Association and as a special local union of dairies, we have the committee for co-operative experiments with a view to the manufacture of cheese. This committee proposes to direct experiments in cheese making and cheese shows, the object of which is — on the basis of accurate reports, presented by the various dairies, in regard to the methods adopted in cheese making and its preservation in cellars — to decide what may be the most suitable means for improving the production,

taking especially into consideration the general judgment passed on the produce obtained. This committee has a member for each local section represented. Each member organizes the shows in his section and, for the purpose of judgment, two experts are attached to him, appointed permanently for all the sections generally.

(6) On the promulgation in 1898 of the law on accident insurance, obliging the dairies, as industrial undertakings, to pay compensation to their employees in case of accident, they formed their own accident insurance society, afterwards so enlarged as now to take in all agricultural businesses subject by the law to insurance, and even voluntary insurance societies. The dairy section of this association now includes 1,311 dairies.

Finally, the dairies are represented by the provincial unions of dairy associations on the Central Co-operative Committee of Denmark (*Andelsudvalget*), the central organ representing the Unions of Danish co-operative undertakings, the duty of which is to promote the action of the societies, and strengthen their position both at home and in their foreign relations, in harmony with the international co-operative movement.

(*To be continued*).

BRITISH INDIA.

NON-AGRICULTURAL CO-OPERATIVE SOCIETIES IN INDIA.

SOURCES:

STATEMENT EXHIBITING THE MORAL AND MATERIAL PROGRESS AND CONDITION OF INDIA. Forty-sixth to Fiftieth Numbers, 1909-10 to 1913-14. London: Eyre and Spottiswoode.

PROCEEDINGS OF THE CONFERENCES (THIRD TO SEVENTH) OF REGISTRARS OF CO-OPERATIVE CREDIT SOCIETIES. Calcutta, 1908, 1909, 1911. Simla, 1912, 1913.

RESOLUTION DEALING WITH THE PROGRESS OF THE CO-OPERATIVE MOVEMENT. Government of India. Department of Revenue and Agriculture. Simla, 1914.

REPORT OF THE COMMITTEE ON THE ESTABLISHMENT OF CO-OPERATIVE CREDIT SOCIETIES IN INDIA. London: Eyre and Spottiswoode. 1903.

STATEMENT SHOWING PROGRESS OF THE CO-OPERATIVE MOVEMENT IN INDIA DURING THE YEARS 1911-12, 1912-13, 1913-14.

THE CO-OPERATIVE CREDIT SOCIETIES ACT, 1904 (X of 1904).

THE CO-OPERATIVE SOCIETIES ACT, 1912 (II of 1912).

At various times we have reviewed in this *Bulletin* the progress of agricultural co-operation in British India, but so far we have referred only in the most incidental manner to the development of non-agricultural co-operative societies. The latter, however, although almost insignficant in number by comparison with agricultural societies, have been making progress, and in 1913 and 1914 increased very rapidly.

On June 30, 1912, the number of non-agricultural societies was 495, the total membership was 67,097, and the total working capital £357,286. On the corresponding day in 1914 the number had increased to 806, the membership to 109,694, and the total capital to £554,978. It will be seen, therefore, that this part of the Indian co-operative movement has already reached respectable proportions and it will be worth while to examine it a little more attentively.

§ 1. PROVISION FOR THE FORMATION OF NON-AGRICULTURAL CO-OPERATIVE SOCIETIES.

The advisability of providing for the formation of urban or non-agricultural credit societies was recognised even before any steps had been taken to launch the co-operative movement in India. The report of the

Committee on the Establishment of Co-operative Credit in India — a committee which sat in 1901 and which drafted a bill as the result of its deliberations — contained the following paragraph: — "Further, we consider that the efforts of Government should not be limited to encouraging the establishment of purely agricultural societies. The Italian co-operative banks were first started in towns, and, taking into consideration the results achieved by them, we consider that endeavours should be made to encourage the formation of urban societies working on co-operative lines. The object which these societies would serve would be twofold. In the first place, we consider that they would meet an existing want in providing a medium somewhat more profitable than the Post Office Savings Bank for the accumulation of savings by clerks and artisans, and would thus serve as a useful and much needed incentive to thrift... Further, one of the main functions of such banks in Italy is the loaning of capital to rural banks, and we see no reason why urban societies in India should not similarly provide funds for village societies."

It will be noted that the Committee had in view only co-operative credit societies, and that it contemplated a system in which village societies would act as the agents of urban societies, thus meeting one of the great difficulties which had hitherto hampered the development of agricultural credit, that namely of acquiring local knowledge, and at the same time furnishing a secure and profitable investment for the funds of the urban societies. The Indian co-operative credit system, it may be admitted, is not being evolved precisely in the manner contemplated, and as a matter of fact some of the most interesting non-agricultural societies are small in number of members and poor in resources, and have no connection with agricultural credit societies, having been formed among weavers, brass and leather-workers or other poor craftsmen for the simple purpose of helping their members to escape from the burden of debt and free themselves to some extent from the extortions of dealers and middlemen. Still there are urban banks which lend largely to agricultural societies in their own districts, so that non-agricultural credit is by no means entirely divorced from agriculture.

The *Co-operative Credit Societies Act* of 1904, passed largely upon the recommendation of the Committee already referred to, recognised two classes of societies, agricultural and urban, the distinction being that in the former four-fifths of the members were to be agriculturists, and that in the latter, at least four-fifths were to be non-agriculturists. In agricultural societies, liability (save with the special sanction of the Local Government) was to be unlimited, while in urban societies it might be either unlimited or limited. The act of 1904 remained in force up to June 30, 1912, on which date (as we have already noted) there were 495 urban societies in operation. The act was then replaced by the *Co-operative Societies Act* of 1912 in which the classification into agricultural and urban societies was dropped, the provisions of the act being framed with reference to the much more important distinction between limited and unlimited societies. The classification adopted in the earlier act had been objected to by many critics, and experi-

rience had proved that the objections were well founded. Urban societies had enjoyed the privilege of working with limited liability, although all all the arguments which made unlimited liability advisable in the case of rural societies applied with equal force to many urban societies, — for example, to the small societies of weavers working together in one place whether in the town or in the country. As the Hon. Mr. Carlyle, in introducing the amending bill in Council, said: — "The true distinction appears to be between limited and unlimited societies. In many cases urban societies should be unlimited. In some cases there is no reason why rural soceties should not be formed of limited liability."

The act of 1912, like the earlier act, contained the provision that agricultural credit societies should, ordinarily, be based on unlimited liability. It added the provision that, ordinarily, the liability of a society of which a member is a registered society should be limited, — an important provisior which contemplated the formation of unions with other societies as members. The new act, too, was not limited in its application to co-operative credit societies but provided for the recognition of any society which had as its object "the promotion of the economic interest of its members in accordance with co-operative principles," thus clearing the way for the development of societies for purchase and sale, production, production and sale, insurance, etc.

From what has been said above it is clear that the British Government in India intended from the start of the co-operative movement that urban or industrial co-operation should develop side by side with agricultural co-operation, or at least that every opportunity should be provided for its so developing. Nevertheless it must be remembered that the real motive which has inspired the co-operative movement has been the desire to benefit agriculture. "The problem of agricultural credit has been looked on as more urgent than that of industrial credit, and the efforts of Government have been mainly devoted to the relief of the small agriculturist." (1)

It is perhaps for this reason that urban or non-agricultural co-operative societies show a somewhat large proportion of failures. The attention of the Registrars and of voluntary workers has been directed somewhat too exclusively towards agricultural co-operation, with the result that urban societies have been formed in a somewhat haphazard manner, and at the present time the comparatively small group of urban societies presents little or none of that homogeneity which distinguishes the large group of agricultural societies. It would be possible to give a fairly accurate idea of agricultural co-operation in India by describing a single village society. In the case of non-agricultural societies the matter is not so simple, and it becomes necessary to give some account of the different classes and kinds of societies of which the group is composed.

(1) *Resolution dealing with the Progress of the Co-operative Movement.* Simla, 1914.

§ 2. Different classes and kinds of non-agricultural societies.

It is important to notice in the first place the relatively high proportion of societies other than credit societies in the non-agricultural group. In the case of agricultural societies the proportion is only 1 per cent. (174 societies out of 14,538), while among the non-agricultural societies it is exactly 20 per cent. (162 societies out of 806). The figures given are for 1914. The majo ity of the urban (1) non-credit societies (139 out of 162) are engaged in co-operative purchase or purchase and sale, whereas, with but few exceptions, non-credit agricultural societies have been formed for production and sa'e, or for insurance.

Under the head of non-agricultural credit societies are included credit societies for artisans and traders in towns, industrial societies for weavers and other workers in particular industries, and societies for salary earners. The societies for artisans and traders are in some cases strongly established, well-managed institutions, closely resembling the People's Banks with which we are familiar in Europe; in other cases they are associations somewhat loosely organised on the basis of unlimited liabi'ity, composed for the most part of petty traders who neglect the work of management, and having often a very precarious existence. We shall deal presently with the difficulties which have been encountered in the constitution and management of different types of urban societies.

Of the industrial societies, formed for the purpose of financing particular industries, undoubtedly the most important are the weavers' societies. Weavers form an important industrial group in practically every part of India, and with the development of the factory system the economic situation of the group threatens to become miserable in the extreme. Co-operative credit societies alone can not save the weavers from the fate which long ago overtook the English hand-weavers, but they can relieve the workers from immediate pressure, and especially from the pressure of debt to private money-lenders. The formation of these credit societies, too, makes it possible for Government and private persons interested in weaving to establish schools of instruction, introduce an improved type of loom and superior dyes and, in general, carry out a constructive policy designed to raise the handicraft above the level of the factory industry and thus free it from the competition of machinery. The authorities are keenly alive to the importance of saving skilled independent craftsmen from being forced into the ranks of the mill-hand class, — a class which, it may be mentionned, is already in a sufficiently depressed condition. Weavers' societies start by making small advances to their members for necessary trade or domestic purposes and by undertaking the collective purchase of yarn. They soon find that they are seriously hampered unless they possess sufficient funds to

(1) We use the term "urban" occasionally for "non-agricultural" in spite of the change in the nomenclature of the official returns. "Non-agricultural," like any term which defines by negation, is open to exception; but "non-agricultural, non credit" becomes impossible.

enable them to accept finished cloth on deposit for their members during the slack season and make sufficient advances in yarn or cash to keep the workers employed. The last step consists in opening a regular shop for the sale of members' goods to the public.

A large number of urban credit societies have been founded among workers in the most poorly paid occupations. Thus there are societies among the street-sweepers in various towns, as well as among mill-hands and common labourers. These societies are founded with objects which are largely philanthropic, and it is an essential of their success that some person of superior education and recognised influence should take an active interest in their management, and should, indeed, be entirely responsible for their welfare. They are social rather than economic institutions.

Finally, there is an important group of societies formed among clerks and other salaried employees in Government or municipal service. These are formed, for the most part, each among the employees of a single Department, but in some cases membership is open to all Government employees stationed in a particular town or district. In the same group we may include societies formed among the employees of some of the railway companies and of certain important private firms.

We have said enough to show that wide differences exist between the various types of societies included in the group of non-agricultural societies. Where such differences exist, averages and aggregates for the whole of India, are more likely to mislead than to inform, and it will serve our purpose better to give certain figures for each province separately. The figures in the table below show how greatly the societies differ in size and in financial strength from province to province.

TABLE I. — *Number and Constitution of Non-agricultural Societies* 1914.

Province	No. of Societies	No. of Members	Working Capital
			Rs.
Madras	66	21,694	15,21,889
Bombay	125	26,525	19,65,168
Bengal	80	14,352	12,90,089
Bihar and Orissa	41	12,377	1,49,019
United Provinces	185	5,755	4,37,428
Punjab	34	3,263	8,53,653
Burma	49	3,414	6,14,193
Central Provinces	88	1,778	96,286
Assam	16	1,672	2,22,355
Mysore	109	18,209	11,16,207
Baroda	13	655	58,389
Total	806	109,694	83,24,676

Coorg and Ajmer which have no societies classed as non-agricultural are omitted from the table. It will be seen that 66 societies in Madras have a membership of 21,694 and a working capital of more than 15 lakhs of rupees, while 185 societies in the United Provinces have a membership of only 5,755 and a total capital of little more than 4 lakhs of rupees. Certain other data relating to the societies show equally wide divergences. In Madras, 49 out of 66 societies (74 per cent.) are limited societies; in the United Provinces only 17 out of 185 (9 per cent.) are limited. In Madras, Bombay and some other provinces the societies lend at little over 9 per cent., while in Bengal and the Punjab the rate of interest charged is 12½, and in the United Provinces and Burma it is 15 per cent.

§ 3. Progress of the societies to 1914, and present financial position.

Absolute figures as to the growth of any particular movement usually convey very little to a reader unless he happens to be familliar with a number of other data. This remark applies with considerable force to the figures we present below, but we present the figures which are available and then furnish such guidance as we can in the matter of their interpretation. So much premised, we may give in a table the chief data as to the growth of urban or non-agricultural co-operation during the ten years following the passing of the act of 1904.

Table II. — *Progress of Non-agricultural Societies to* 1914.

Year	No. of Societies	Working Capital	Total Membership
		£	
1905	6	—	—
1906	37	5,914	—
1907	89	33,599	—
1908	149	55,525	133,939
1909	227	66,544	218,258
1910	321	61,398	244,906
1911	415	69,399	309,425
1912	495	67,097	357,286
1913	691	76,378	380,000
1914	806	109,694	554,978

It will, in the first place, add something to our understanding of the information contained in the table if we know the figures relating to the other classes of societies, namely, agricultural and central. In 1914, there were 14,538 agricultural societies with a total membership of 599,822 and working capital amounting to £ 2,693,445, while there were 329 central societies with a total membership of 34,710 and an aggregate working capital of £1,935,812. Briefly, non-agricultural societies form 5 per cent. of the total number of societies, they include 14 per cent. of the total membership, and they hold 10 per cent. of the total working capital of Indian co-operative societies.

It would be misleading to attach undue importance to these proportions, since as a matter of fact the distinction between central and non-agricultural societies is quite arbitrary, societies which lend more than half their funds to other societies being classed as central, while those which lend only half or less to other societies are classed as non-agricultural. Thus, a society which is this year classed as non-agricultural may, by increasing the relative importance of its loans to other societies, pass next year into the class of central societies. It is worth noting that the figures given above relate to non-agricultural societies of all kinds and not to credit societies alone. In 1914 the group of 806 societies is made up as follows: credit 644, purchase and purchase and sale 139, production 1, production and sale 11, other forms of co-operation 11. It would be preferable if the statistics for credit and non-credit societies were presented separately but in the summarised statements published by the Government of India they are not distinguished. This is a matter of no great importance in the case of agricultural societies, only one per cent. of which are other than credit societies, but it has more weight in the case of non-agricultural societies, 20 per cent. of which are other than credit societies. It must be remembered, however, that existing societies for purchase and sale, production, etc., work almost invariably with very little capital, so that the total of their transactions for any year is comparatively small. In the *Receipts and Disbursements* and *Balance Sheet* of non-agricultural societies shown below there are some few items such as "Sale of Goods to Members" which relate to non-credit societies. The figures are for the financial year ending June 30, 1914.

TABLE III. — *Non-agricultural Societies: Receipts and Disbursements* 1913-14.

Receipts	Rs.	Disbursements	Rs.
Share Payments	13,95,212	Share Capital Withdrawn	2,46,146
Loans and Deposits:		Members' Deposits Withdrawn	26,35,606
By Members	31,02,674	Loans Repaid to:	
By Non-members	15,83,239	Government	9,528
By Other Societies	1,01,124	Central Societies	4,64,163
By Government	26,250	Other Societies	56,126
By Central Societies	7,36,078	Non-members	9,17,484
Loans Repaid:		Loans to Members:	
By Members	56,45,269	On Personal Security	60,65,535
By Central Societies	40,574	On Mortgage Security	16,59,628
By Other Societies	1,30,747	Loans to Central Societies	53,876
Interest Received	5,80,950	Loans to Other Societies	6,31,171
Sale of Goods to Members	17,21,955	Interest Paid	2,06,647
Other Income	19,00,514	Dividend and Bonus Paid	1,11,703
		Stock Bought	17,43,652
		Establishment and Contingencies	1,38,529
		Other Items	19,16,020
		Carried to Reserve	42,645
Total Income	1,69,64,586	*Total Expenditure*	1,68,98,459
Opening Balance	4,82,823	*Closing Balance*	5,48,950
GRAND TOTAL	1,74,47,409	GRAND TOTAL	1,74,47,409

TABLE IV. — *Balance Sheet of Non-agricultural Societies, June 30, 1914.*

Assets	Rs.	Liabilities	Rs.
Cash in Hand and at Bank	5,75,287	Loans and Deposits from Non-members	16,03,029
Value of Investments	3,30,026	Loans and Deposits from Other Societies	7,52,091
Loans due by Members	64,07,830	Loans from Government	71,990
Loans due by Societies	8,93,376	Deposits of Members	21,65,857
Interest due	1,86,755	Share Capital	31,16,905
Value of Stock in Hand	3,09,747	Interest and Dividend due	1,65,196
Other Items	1,85,437	Cost of Management due	11,890
		Other Items	2,29,009
		Reserve Fund	3,85,795
		TOTAL	85,01,762
TOTAL	88,88,458	Balance (Profit)	3,86,696

A glance at the above Balance Sheet will show how the working capital of the societies is made up. The two chief items are Deposits of Members and Share Capital, which together amount to Rs. 52,82,762. Loans and Deposits from Non-members, Other Societies and Government amount to Rs. 24,27,110, Reserve Fund (consisting of undistributed profits) amounts to Rs. 3,85,795, and, lastly, Other Items (unclassified) amount to Rs. 2,29,009. It will be seen, therefore, that what is sometimes distinguished as internal capital — Deposits of Members, Share Capital and Reserve Fund — forms the greater part of the working capital, being in fact 68 per cent. of the whole. It is worthy of note that Government loans are quite insignificant in amount, forming less than one per cent. of the total working capital.

§ 4. SOME DIFFICULTIES OF MANAGEMENT AND CONTROL.

Many defects have been revealed from time to time in the constitution and management of non-agricultural societies, and considerable difficulty has been encountered in their supervision and control. This may be due in part to the fact that the Registrars, devoting most of their attention to agricultural societies, have in some cases sanctioned the registration of societies formed on quite unsound lines, but it is due

in the main to the fact that non-agricultural societies are exposed to many risks which do not affect agricultural societies, or at least do not affect them to the same degree.

An agricultural society, in the first place, is generally smaller and therefore more manageable, while the members known personally to one another usually occupy small holdings of land which bind them to the village. Each member knows, within a little, the financial position of every other member, and each makes it his business to see that every loan is used by the borrower only for the purpose for which it was granted. Moreover, in village societies, liability being unlimited, the character of each applicant for membership is carefully inquired into, so that a society may be said to consist of men who by their neighbours are accounted honest and diligent. This close supervision, both over the employment of loans and over the admission of members, forming a double security, cannot as a rule be exercised in non-agricultural societies, many of which are composed of artisans, petty traders and people of the professional classes all of whom would resent any attempt at controlling their liberty of action.

Again, the mangement of a non-agricultural society is more likely to fall into the hands of men who will manipulate the business in their own interests, because the members are less in touch with one another and usually have, as compared with the small cultivator, many other things which engage their attention. The *raiyat*, when he has no work to do on his small fields has time to discuss the affairs of his co-operative society, and, as the range of topics offered by a small village is a narrow one, we may assume that everything connected with the society is submitted to a good deal of criticism.

Each kind of society has to contend with particular difficulties of its own, and each is liable to show certain defects. Societies of the type of the People's Banks tend generally to drift away from co-operative principles and become capitalistic. This is a natural movement over which there is no need to grow pessimistic. A society which issues shares for an important amount, is based on limited liability, and carries on a general banking business both with its own shareholders and with the public, already resembles very closely the ordinary joint stock bank, and there is no reason why it should be bound indefinitely to continue working on so-called co-operative lines if the shareholders should ever become convinced that it would be a wise step to place the society frankly upon a capitalistic basis. However, this is a view of the situation which naturally does not commend itself to a Registrar of Co-operative Societies and, in fact, more than one Registrar in his report mentions with regret that prosperous town banks are apt to lose their co-operative character.

Clerks' societies seem to have met with only a small measure of success. The working of such societies was discussed at some length at the Sixth Conference of Registrars of Co-operative Credit Societies, held at Simla in 1912, and the evidence brought forward pointed to fairly widespread failure. The Registrar of the United Provinces said : — " We

have not been fortunate with societies for clerks in the United Provinces. They are usually on a limited liability basis and defaults are very common." In Behar and Orissa there was only one society which could be described as "very successful," out of six societies in operation. In the Punjab there was only one large society, at Simla, and it had not been successful.

One of the chief difficulties in the case of clerks' societies is the circumstance that members are often transferred to other districts, and in those cases it is very difficult to collect any loans that may be due. In the case of the Simla society, for instance, it was stated at the Conference that there were 90 loans outstanding and 70 defaulters scattered all over the country. It would be possible in the case of Government clerks for the district Collector or some other official to bring pressure to bear upon the members of credit societies who were in default, but there are grave objections to such a course. Where the superior officials take an active interest in the affairs of a clerks' society, things often go smoothly enough; but these officials are quite likely to be transferred after a time and their successors may not have the same interest in co-operation. In that case it is very probable that the management of the society will deteriorate. Clerks when they join a credit society are often heavily indebted to private moneylenders, but it is very difficult to get them to disclose their true position, and the management committee, not wishing to be considered inquisitorial, do not make sufficient enquiry when admitting members or passing upon loans,

Artisans' societies, of which the numerous weavers' societies are typical, often find it difficult to get together even the relatively small amount of capital which they require. Their members are nearly always poor men with little or no immovable property, and with only the simplest of appliance for carrying on their industry, their real capital consisting in their skill. By comparison, therefore, with the security which they have to offer, the sums which the workers require for the purchase of materials seem large, and unless a Government loan is available, lack of funds is likely to hamper the work. Again, it has been noted in some cases that there is a tendency to exclude the poorest members of the trade, that is to say the men who would benefit most by the society.

In artisans' societies the pooling of the members' credit, which is a comparatively simple step, may be accomplished without the society getting much further. The next step in development, consisting in the organisation of collective purchase and sale, is a more difficult one, as the society before taking it must be in a position to meet not only the competition of the dealers, but also the seasonal fluctuations of the trade itself. It must be in a position to keep its members working during the slack season by making advances to them, to be repaid in the busy season. Then, too, the purchase of suitable materials calls for some expert knowledge and considerable business ability, and outside the ranks of the ordinary dealers it is by no means easy to find men who possess both. It is indispensable that collective purchase and sale, if it be undertaken, should be well done, otherwise the society will simply drift into difficulties and finally dissolve,

leaving its own members discouraged and the co-operative movement discredited. It is precisely here that other Departments of Government can lend assistance by making the services of their experts easily available. Assuming that it is desirable to save native industries and handicrafts from extinction (and upon this point there is general agreement) it must be recognised that they cannot be saved merely by forming credit societies among the workers, and much less by doles of money from Government. The credit societies form, as it were, a foundation, a starting point, for all the efforts, official or unofficial, which are directed towards preserving the native crafts. Credit societies may with advantage be assisted in certain circumstances by advances of capital from Government, but such advances need only be temporary. If Government will make it its care to promote and direct an industry such as weaving upon its technical side, the credit societies will soon be able to attract what capital they need from co-operative or other banks, and Government loans will no longer be needed, But no private individual or association can undertake the broad schemes of instruction which alone will in time raise the native handicrafts above the level of machine competition.

GREAT BRITAIN AND IRELAND.

INDUSTRIAL CO-OPERATION IN 1914.

From the September issue of the *Board of Trade Labour Gazette*, published by the Labour Department of the Board of Trade, we reproduce the following particulars relating to industrial co-operative societies in the United Kingdom. They are compiled from returns made direct to the Department, supplemented by information supplied by the Co-operative Union and by the Chief Registrar of Friendly Societies.

At the end of 1914 there were at work in the United Kingdom 1,524 industrial co-operative distributive and productive societies, with an aggregate membership of 3,096,314, a total share, loan, and reserve capital of £64,803,071, a total trade (distributive and productive) of £164,587,520 (1), and a total profit before deduction of interest on share capital, of £15,140,960. This is an increase over 1913 of 3 societies, of 176,966 in membership, £3,977,286 in capital, £10,874,550 in trade, and £933,406 in profit.

The total number of persons directly employed by the societies was 144,974, (1) and the total amount of wages paid during the year £8,843,424 (1).

While some of the societies are engaged only in distribution, and some only in production, others are engaged in both distributive and productive operations. In the following statistics, however, distribution and production are dealt with separately.

§ 1. Co-operative distribution.

At the end of 1914, 1,385 retail and 2 wholesale industrial societies were engaged in distribution. These societies had an aggregate membership

(1) The figures are exclusive of the number and wages of persons employed in agriculture by Industrial Distributive Societies, and of the sales and transfers of agricultural produce of the societies.

of 3,055,828 a total share, loan, and reserve capital of £58,305,412 (1), sales amounting to £132,316,095, and a profit on distribution before deducting interest on share capital of £ 14,542,623 (1) while the total number of persons directly employed in distribution by these societies was 82,841 and the total wages paid £5,103,951.

In the following Table are shown separately for the retail and for the wholesale industrial societies the sales for 1914 together with those for the preceding year and (in order to show the growth in 10 years) for 1904.

TABLE I. — *Sales of Retail and Wholesale Industrial Societies.*

	1914	1913	1904
Retail Societies: Number.	1,385	1,382	1,454
" " Sales	£87,979,898	£83,607,043	£59,311,885
Wholesale Societies: Sales of the English Society	£34,910,813	£31,371,976	£19,809,196
" " Sales of the Scottish Society	£9,425,384	£8,964,034	£6,801,272

Of the total profit of £14,543,623 (1), a sum of £13,501,784, was made by the retail societies and £1,041,839 by the wholesale societies. In the case of the retail societies the greater part of the profit was distributed to the members as a dividend on purchases, at an average rate of 2s. 4 ½ d. in the £1 in England and Wales, 3s. 2d. in Scotland, and 1s. 2 ½d. in Ireland, the average for the United Kingdom being 2s. 5 ¾d. Non-members usually receive dividends at one-half these rates.

The English and the Scottish wholesale societies paid to members a dividend on purchases of 5d. and 8½d. in the £1 respectively.

In addition to the above societies there were also at work in 1914 two societies, one a co-operative cab society in England with 22 members, a capital of £829, a trade of £5,511, and profit of £478 ; and the other a co-operative motor society in Ireland with a membership of 17, a capital of £938, trade amounting to £970, and a profit of £50.

Profit Sharing with Employees. — Of the total 1,385 retail societies, 173 employing 14,761 persons, and paying wages amounting to £870,039 in their distributive departments, allotted a total of £39,450 out of the

(1) The figures include the capital used in the productive departments of retail societies and the profit upon the productions of these societies, the amounts not being available separately. The capital used in the productive departments of the wholesale societies, £4,037,445, and the profit, £316,582, are not included.

profits to their employees as a bonus on wages, this being equal to 4.5 per cent. upon the wages paid.

The Scottish Wholesale Society, with 2,743 distributive employees, and paying wages amounting to £177,501, allotted £6,300 as a bonus on wages, this being equal to 3.5 per cent.

§ 2. Cooperative Production.

In 1914 there were 1,137 industrial co-operative societies of various types engaged in production, consisting of 1,000 retail and two wholesale distributive societies having productive departments, and of 135 associations for production only, consisting of 5 cornmilling societies, 38 bread-making and other consumers' societies, and 92 associations of workers. The total number of persons employed in production by these societies was 62,095, the amount of wages paid during the year being £3,738,570, and the value of productions £32,264,944. Of the 62,095 persons employed in production, 53.4 per cent. were men, 29.3 per cent. women, and 17.3 per cent. were young persons under 18 years of age.

In the following Table the sales of each group of societies, together with the totals for all the societies, are shown for each of the years 1914, 1913 and 1904:

Table II. — *Sales and Transfers of Productions.*

	1914	1913	1904
	£	£	£
Associations of Consumers:			
Productive Departments of Distributive Societies — Retail	15,551,185	14,550,246	5,958,099
Productive Departments of Distributive Societies — Wholesale	12,608,101	11,211,882	5,515,611
Productive Societies: Corn-milling	1,035,044	1,003,579	1,345,207
" " Baking and Other Consumers' Societies	1,291,950	1,270,579	674,461
Associations of Workers	1,778,664	1,732,337	1,109,318
Grand Total of all Societies	32,264,944	29,768,623	14,602,246

The total value of productions has increased in ten years by nearly 121 per cent., the greatest increase (161 per cent.) being shown by the productive departments of the retail societies. The productive departments

of the wholesale societies show an increase of 128.6 per cent., the baking and other consumers' societies an increase of 91.6 per cent., and the associations of workers 60.3 per cent. Cornmilling societies alone show a decrease (23.1 per cent.) this being largely due to the fact that in 1906 two of the mills at work in 1904 were absorbed by the English Wholesale Society.

The following Table analyses by groups of industries the number of persons employed, the amount of wages paid, and the amount of sales and transfers of productions in 1914.

TABLE III. — *Co-operative Production: Persons Employed, Wages Paid, Sales and Transfers of Productions in* 1914.

Groups of Industries	Associations of Consumers			Associations of Workers		
	No. of Employees	Wages paid during 1914	Sales and Transfers of Productions	No. of Employees	Wages paid during 1914	Sales and Transfers of Productions
		£	£		£	£
Food and Tobacco . .	15,530	1,108,001	23,055,040	169	12,692	96,452
Clothing	24,165	1,256,624	3,625,553	4,191	209,882	888,150
Soap, Candles and Starch	1,485	83,866	1,194,668	—	—	—
Textiles	2,176	102,072	581,081	1,848	97,347	488,609
Building, Quarrying and Woodworking .	5,414	473,000	1,204,097	315	23,964	54,836
Printing	2,134	125,651	375,242	1,071	74,125	189,622
Metal, Engineering and Shipbuilding . . .	717	48,339	194,251	446	20,996	46,075
Other Industries . . .	2,302	96,150	256,348	132	5,861	14,920
Totals 1914 . .	53,923	3,293,703	30,486,280	8,172	444,867	1,778,664
Totals 1913 . .	*51,304*	*3,074,924*	*28,036,286*	*8,205*	*442,361*	*1,732,337*

A total profit of £596,809 was made upon industrial production by societies other than retail societies, the profits of the productive departments of the latter being merged in their general profit, and therefore not separately ascertainable.

Of this total £316,582 was made by the wholesale societies, £34,170 by the cornmilling societies, £144,500 by breadmaking and other consumers' societies and £101,557 by the associations of workers.

Profit sharing with Employees. — Of the 1,137 societies engaged in industrial production, 141, employing 17,343 persons in production, with

wages amounting to £997,275 allotted a sum of £49,322 to these employees as a bonus on wages, this being equal to about 5 per cent. Of the total amount, £9,882 was allotted by retail distributive societies, £12,205 by the Scottish Wholesale Society (which has since abolished its system of profit-sharing), £9,088 by five consumers' productive societies, and £18,147 by 37 associations of workers.

Associations of Workers : Share of Employees in the Membership, Capital and Management. — Seventy-eight of the associations of workers for production, with sales amounting to £1,717,869, or 96.6 per cent. of the total sales of the 92 associations at work in 1914, made returns showing the extent to which their employees and others shared in the membership, capital and management of the associations.

The returns show that the total membership of the 78 associations was 22,112 of whom 4,679, or 21.2 per cent. consisted of employees, £13,536 or 61.2 per cent. of other individuals, and 3,897, or 17.6 per cent., of other societies. Of 7,665 persons employed by the associations 4,679, or 61 per cent., were members of the associations employing them.

Of the £744,963 share and loan capital, £109,381, or 14.7 per cent., belonged to employees; £264,548, or 35 ½ per cent., to other individuals, and £310,680, or 41.7 per cent., to other societies. The remaining £60,354, or 8.1 per cent., consisted of loans from non-members, including bank overdrafts.

The total number of directors or committeemen of the associations was 708, of whom 272, or 38.4 per cent., were employees of the associations ; 288, or 40.7 per cent., were other individual members; and 148, or 20.9 per cent., were representatives of other (shareholding) societies.

MISCELLANEOUS INFORMATION RELATING TO AGRICULTURAL CO-OPERATION AND ASSOCIATION.

CANADA.

EGG SELLING ASSOCIATIONS IN PRINCE EDWARD ISLAND. — The first local association or circle for the producton and sale of eggs was formed at Brooklyn in March, 1913. The previous year an investigation into the prospects of the egg and poultry industry in the Province had been carried out by Mr. W. A. Brown, Chief of the Poultry Division, Department of Agriculture, Ottawa, and as a result of this investigator's report the Department appointed an expert in poultry breeding to reside in Prince Edward Island and give instruction in the methods of producing and marketing eggs and poultry. The resident expert, following modern approved methods, soon began the work of organising local co-operative associations, thirteen of which had been established by the end of 1913. The success of the egg "circles," as they are called in the Province, has been most encouraging. During 1913 the sales of the thirteen circles amounted to $14,190, and during 1914 the number of circles increased to sixty-two and the total sales for the whole of 1914 and the first two months of 1913 amounted to $230,000. It soon became evident that a central selling and controlling agency was needed, and early in 1914, the "Prince Edward Island Co-operative Egg and Poultry Association" was established by a special act of the Provincial Legislature. The objects of the Association are declared to be, (*a*) the encouragement of the production and marketing of eggs and poultry, and all matters connected therewith, (*b*) the supervision and encouragement of such commercial enterprises as may be deemed, by the Association, likely to facilitate the more profitable production and disposal of the produce of the circles, (*c*) the encouragement of the purchase, breeding and distribution of improved strains of highly productive stock. The Association has already opened egg "candling" and grading stations at Charlottetown, Summerside, Montague, Kensington and York. These stations eliminate unnecessary handling and waste and ensure that each producer is paid for his produce on the basis of quality as well as quantity. Buyers are attracted to the Province by the fact that they can secure large and regular supplies of eggs of uniform quality and it is confidently expected that a sound and profitable industry will soon be built up.

SPAIN.

CREDIT FOR AGRICULTURAL SYNDICATES. — In Spain the question of credit for co-operative unions is now one of the most important in the agricultural social sphere, on account of the development assumed by these associations. As there is as yet no general organization of rural credit and the *Pósitos* (1) are still in course of transformation, the co-operative associations have not now any source available whence to obtain the credit their members require, except the private or official banking houses. In this position, especially as the above houses (above all the private ones) have considerably reduced their business on account of the abnormal situation created by events of international character, the credit syndicates have experienced serious difficulties in discounting their bills or opening new current accounts, so that the needs of their members in respect to working capital have naturally increased instead of diminishing.

We have already had an opportunity of explaining to our readers (2) that in Spain the official establishments bound by their rules to give credit to the co-operative societies are the Mortgage Bank and the Bank of Spain. We also at the same time showed that the first of these establishments, although quite specially founded to assist agriculture, limits its action almost entirely to urban districts, and that the second has not yet lent the agricultural social institutions all the support it should as a State Bank.

On these grounds, the Spanish Government, being in addition alarmed at the serious difficulties encountered by agriculture at the present moment, has lately issued a Royal Order to the Bank of Spain, urging it:

(1) without delay to enter on its credit lists, after first examining their rules and all precedents enabling it to proceed to their proper clasification, all syndicates benefiting as such under the law of January 28th., 1906 (3);

(2) to communicate to the Department of Finance the rules it shall lay down for the grant of credit to agricultural syndicates and the benefits it shall grant those syndicates that act as intermediaries in this business, in conformity with article 78 of its regulations, as coming under the 3rd. head (4), as well as the number of syndicates classified, for the purpose indicated, in each province and the amount of credit it is ready to grant them.

(1) See article, "*The Work of the Agricultural Credit Institutes in Spain*", in the number of this Bulletin for June, 1914.

(2) See article, "*Co-operation in Spanish Agriculture*", in the numbers of this Bulletin for March and May, 1915.

(3) See above article.

(4) Article 78 of the Regulations of the Bank lays it down that: "with the consent of the Board of Management, the Bank may grant a commission to syndicates, unions or associations of commercial, industrial or agricultural character that guarantee payment of the bills their members get discounted."

The Bank of Spain immediately replied to this Royal Order, in an Official Note, in which it is stated that the Bank will in every way endeavour to meet the desires of the Government and of the rural population and that it desires to enter on its credit lists all legally authorized syndicates. It further invites these associations themselves to ask for credit to be opened to them, so that it may be able to examine their rules and the other preliminaries necessary for their proper classification.

The note adds that the Bank adheres to the principle expressed in the Royal Order in question, considering the syndicates as intermediaries guaranteeing the operations and in this sense will accept the bills these associations present on their members' account. Further to encourage such operations, the Bank will grant the syndicates as intermediaries 12.5 % of the profits it realises on these operations.

The Bank finally announces that it will send a circular to all its branches to facilitate transfers and simplify procedure and order them to enter on their credit lists not only the syndicates, but also their members, classifying them according to their merits and in this matter showing the greatest good will.

(Summarised from *España Económica y Financiera*, Madrid).

ITALY.

1. — THE FOUNDATION OF A NATIONAL CO-OPERATIVE LABOUR COMMITTEE. — On August 25th. last, on the initiative of the *Lega Nazionale delle Cooperative* (National League of Co-operative Societies), a National Labour Committee was formed at Milan. This Committtee, founded on mutual principles, proposes to put the labour co-operative societies in a position to participate to the greatest extent possible in undertaking and carrying out public contracts, taking the place of private contractors and thus enabling the working class to share immediately in the profits of the work. All co-operative societies for production, labour and distribution may be members of the new organization, which will obtain the funds for its work by the issue of shares of 100 frs. each to members and from the contributions of the larger banking institutes. The aim of the Committee is defined as follows in article 2 of the Rules: " To contribute as far as may be to the production and supply of articles and the execution of work that the present exceptional moment requires. The Society will furnish the supplies and execute the works itself directly by means of its own laboratories or establishments or with the help of co-operative associations or groups of labourers, local committees, institutions etc. The Society will arrange for the regular distribution of labour, so as to assist the regions most affected by the crisis and by unemployment, with the special intention of assigning

to the labourers the entire profits from the work, saving them as far as possible from the oppressions and from the speculation of the middlemen, as will be also to the interest of the public administrations." The principles guiding the distribution of eventual profits are laid down as follows in art. 27 of the Rules. "The net profits, after deduction of not less than 20 % to be placed to the reserve fund and an amount sufficient to give not less than 5 % interest on the paid up capital, will be distributed as follows: 20 % to the fund for co-operative education; 80 % to works of assistance and thrift for the benefit of the labour organizations."

(Summarised from *Cooperazione Italiana*, organ of the National Lague of Co-operative Societies. Milan, no. 1,159, October 1st., 1915).

2. — AGRICULTURAL ASSOCIATIONS IN ITALY. — From a publication of the General Management of Agriculture (1), it appears that in Italy there were on the 1st. of January, 1914, altogether 1,886 agricultural associations, distributed as follows: Piedmont, 337, Venetia, 282, Emilia, 233, Lombardy 229, Sicily, 176, Apulia, 113, Umbria, and Latium, 107, Tuscany, 90, Campania, 87, Liguria, 70, Marche, 56, Abruzzi and Molise, 38, Basilicata and Calabria, 36, Sardinia, 32.

These associations were divided as follows, according to their character: agricultural consorzi and syndicates 428, dairies 232, various co-operative purchase societies 188, antiphylloxera consortiums 165, agricultural *comizi* 152, viticultural and wine making societies 142, agricultural unions 131, mutual livestock insurance societies 94, agricultural societies of indefinite character 77, agricultural clubs 69, societies for production and labour 40, mixed agricultural societies 34, horticultural and kindred societies 28, national and regional associations 27, societies for collective sale of agricultural produce 14, sericicultural societies 12, *de facto* agricultural associations 10, olive growing and oil making societies 9, livestock improvement associations, 9, mutual hail insurance societies 9, 9, academies and kindred bodies 8, agricultural machine societies 5, societies for the production of manure 3.

The largest class of these associations is therefore that of the agricultural consortiums, which are indeed among the most encouraging manifestations of agricultural activity in all the regions.

3. — A CO-OPERATIVE NATIONAL RABBIT IMPROVEMENT SOCIETY. — On the initiative of the *Società Agricola Nazionale*, there has been formed in Rome a co-operatve society for the "improvement of rabbits, the encouragement of the use of their meat as food, and the production of rabbit skin and rabbit

(1) See *Notizie intorno alle associazioni agrarie esistenti in Italia al 1° gennaio 1914*. Department of Agriculture, Industry and Commerce. General Management of Agriculture. Rome, 1915.

fur for industrial purposes." It has taken the form of a co-operative society limited by shares, the value of the shares being 20 frs. each. In accordance with its rules, the Society proposes to supply its members with pairs of rabbits for breeding, and hutches, as well as to equip large warrens for industrial purposes, and organize the retail sale of the meat in the principal cities. The rules likewise authorize the society to accept donations even from non-members, for the purpose of purchasing hutches and rabbits for breeding to be distributed gratis.

The society intends to work in the whole of Italy, and appoint correspondents in the chief provincial towns, to direct the movement in each district and in particular to facilitate the work of small rabbit farms.

(Summarised from a communication issued by the Society).

Part II: Insurance and Thrift

DENMARK.

THE DANISH PEASANT AND SOCIAL INSURANCE.

The twelfth session of the Permanent International Social Insurance Committee held in 1914, on the agenda for which the Committee had placed the subjects of social insurance charges and the possible extension of social insurance to independent individuals, gave Prof. H. Westergaard and Miss Black, on the one hand, and Mr. Cordt Trap, Head of the Statistical Bureau of the town of Copenhagen, on the other, an opportunity of publishing the results of social insurance in Denmark in the most careful and suggestive manner. Availing ourselves of their reports, we shall endeavour to show here what social insurance has done for the Danish peasant.

§ 1. Old age pensions.

The first Danish law on social insurance was that of April 9th., 1891, on old age pensions, amended by the laws of May 23rd., 1902 and March 13th., 1908. The costs in connection with these pensions are paid half by the State and half by the communes. In this case all the assistance comes from the public administrations, the party interested does not himself contribute.

Every individual who has completed sixty years has a right to a pension, if he is unable by his work to support himself or those dependent on him, and satisfies the conditions of the law, including that of not having received any public assistance in the five years preceding his application. The law therefore makes provision for indigence, but makes no distinction in respect to the social class. The assistance given must suffice in any

case for the maintenance of the person assisted and his family and for medical treatment and care in case of illness. It is left to the Municipal Council, to fix the amount of assistance and, in case of appeal, to the superior administrative authorities and in the last resort to to the Ministry of the Interior. It has been said, with some reason, that the law was only a frame to be filled in by the Municipal Councils.

It is quite natural to suppose that the amount granted will depend, as is the case in practice, above all in rural communes, on the economic situation of the applicant and will be less if he has any income of his own. It was taken into consideration that there was a danger that other persons might lose all desire to give assistance, and the poor all interest in helping themselves, and a remedy, at least partial, was attempted. Thus the 1908 law decided that in determining the amount of assistance no account should be taken of any income not exceeding 100 crs. per ann., whether due to private charity, or annuities, legacies, pensions etc. In addition, the Department does not make it an absolute condition that the applicant shall be completely without means, but admits the possession by him of a certain fortune, not to exceed 1,000 crs., or a very small holding; in such cases the amount of the assistance is generally reduced.

It was attempted, but without success, to fix the amount of assistance according to the age of the person, his domicile and the cost of living, which might urge him to increase his income.

In Copenhagen, the persons assisted each year are divided into classes according to their social position. Class I includes day labourers and persons who may be grouped with them; Class II, workmen who have learned a trade and servants (not included in class I) as well as some small dealers; Class III, dealers, artisans, small manufacturers and others of independent occupations; Class IV, members of the liberal professions and persons who may be grouped with them.

Those admitted to receive assistance between 1903 and 1913 were classified as follows:

	1905-09 to 1912-13		1903 to 1907-08
	Number	%	
Class I.	3,535	44.9	41.6
Class II.	2,691	34.3	40.2
Class III.	1,402	17.9	16.5
Class IV.	216	2.9	1.7
	7,844	100.0	100.0

About $^1/_5$ th. of those receiving assistance belong to groups III and IV and not to the working classes and the percentage has increased a little.

In this connection, it is well to remark that of the persons assisted, 3 % of the men, and 8.3 % of the women had already received assistance

from the public. These high figures for Copenhagen are due to its being the capital, in the rural districts they do not rise above 0.3 % and 0.4 %; so that in the country those assisted have generally not received previous public assistance.

Old age pensions are granted on an enormous scale in Denmark, as the following figures show. The number of persons assisted increased between 1892 and 1911-12, from 30,957 to 60,192, that is to say 21 % of the men and 38 % of the women over 60 years of age are receiving assistance. The average annual grant per person assisted increased in the same period from 82.63 crs. to 210.24 crs. and the average grant is to day 273.25 crs. in Copenhagen, 255.65 crs. in the provincial towns and 168.54 crs. in country districts. Between 1892 and 1911-12, the total expenditure has increased from 2,500,000 crs. to 12,401,058 crs.

§ 2. Sickness insurance.

The second law with which we have to deal is that on Mutual Sickness Societies of April 12th., 1892. The fundamental principle of this law is voluntary insurance in combination with the public subventions to sickness societies recognised by the State The State subvention is granted in cash to the several societies, in the proportion of 2 crs. per member, together with $^1/_5$ th. of the amount of the contributions paid by the members.

The communes grant the societies the following favours: 1st. Reduction by at least half of the costs of treatment to members and their children under 15 years of age in the district hospital (a similar reduction is granted in the case of treatment in the Government lunatic asylums); 2nd. For members living in the country and their children under 15 years of age, free transport of doctor, or midwife or of the patient to and from hospital over a distance of 11 kms. each way. The Communes may also grant subventions in money, but this is optional.

In order to obtain these benefits the society must be recognised by the State, which entails the obligation of submitting to the conditions required by the law and to inspection.

The sickness societies must themselves provide their members and their children under 15 years of age with medical and hospital treatment, as well as grant them a daily allowance, in general not to exceed two thirds of the average wages for members and not to be less than 0.55 fr. a day. If the daily pay is less than two thirds of the wages, the members have the right to secure themselves that amount by means of a supplementary contribution.

The sickness societies recognised by the State, according to the law of 1892, are open to labourers, small land holders, artisans, small manufacturers, employees with small salaries and persons of either sex in a similar economic situation. In practice, the law is so interpreted that anyone belonging to the working class must be accepted as a member

if he has no other income than that received from his employer for his services. In the case of other persons, the management has established a maximum limit of annual income, 1,800 crs. at Copenhagen, from 1,200 to 1,400 crs. in provincial towns and 1,000 crs. in the country, with an additional amount of 100 crs. for every child under 15 years of age living with its parents.

Since the law of April 12th., 1892 came into force, the sickness societies have developed rapidly, as the following figures show :

	1893	1900	1912
Number of Societies. . .	457	1,104	1,523
Number of Members . .	116,763	302,098	749,635
Revenue	830,000	3,097,000	8,789,000
Expenditure.	962,000	2,924,000	8,422,000
Capital	605,000	2,367,000	8,291,000

At different dates, in 1896, 1905, and 1910, statistics have been published to show the distribution of the male members of the sickness societies according to profession. We give below the figures published for the first and last of these years, both as total amounts and as percentages.

TABLE I. — *Male Members of Urban Sickness Societies*

	Copenhagen				Provincial Towns			
	1896		1910		1896		1910	
	Total figures	%	Total figures	%	Total figures	%	Total figures	%
Servants, Waiters at Cafés and Hotels.	1,282	4.7	766 665	1.1 0.9	305	3.7	2,390 171	4.2 0.3
Day Labourers	7,627	27.8	17,165	24.5	3,510	42.6	18,081	32.0
Master Artisans.	251	0.9	521	0.7	52	0.6	1,054	1 9
Workmen and Industrial Apprentices	13,895	50 7	32,812	46.9	3,265	39.6	24,222	42.8
Dealers, other Persons of Independent Occupation.	1,330	4.8	1,984 2,381	2.8 3.4	745	9.0	1,137 4,994	2.0 8.8
Commercial and other Employees	3,046	11.1	2,277 10,620	3.3 15.2	371	4.5	711 3,391	1.3 6.0
Persons without Profession or Profession Unknown .	206	—	816	1.2	8	—	372	0.7
Total . . .	27,637	100.0	70,007	100.0	8,256	100.0	56,523	100 0

TABLE II. — *Male Members of Sickness Societies in Rural Districts.*

	1896		1910	
	Total Figures	%	Total Figures	%
Servants	5,847	11.5	44.305	22.7
Agricultural Labourers	9,160	17.4	24,789	12.7
"Husmœnd"	15,851	31.0	53,117	27.2
Persons Assimilated to the "Husmœnd"	3,100	6.7	8,871	4 5
Small Peasants	—	—	4,590	2.3
Old Peasants	305	0,6	476	0.2
Factory Hands	1,097	2.2	1,131	0.6
Artisans	13,221	25.9	41,761	21.4
Other Professions	2,394	4.7	14,979	7.6
Without Professions or Prolession Unknoun	82	—	1,508	0.8
	51,057	100.0	195,527	100.0

As we see, the town labourers furnish the largest contingent, at Copenhagen more than 70 % of all the members of the sickness societies and in the other towns 80 %.

The statistics of the legal charges for the year 1911-1912 are as follows:

Nnmber of Members of Recognised Sickness Societies	710,861	
Contributions Paid by Members	5,333,715	Crowns
State Subvention	2,281,542	»
Cost of State Inspection	28,000	»
Indirect Communal Subventions, Estimated at	1,000,000	»
Communal Subventions in Money	160,680	Crowns

The charges per person insured are:

For Members	7.50	Crowns
For the State	3.25	»
For the Communes	1.63	»
Or, altogether	12.38	Crowns

§ 3. Accident insurance.

The first Danish law on accident insurance was that of January 7th., 1898. It is distinguished by the following fundamental principles.

(1) The employer is bound to compensate the employee, either personally or by insuring him in a society he may select.

(2) The application of the law is controlled by a Labourers' Insurance Board, consisting of an equal number of employers and employees.

(3) The compensation given is a single amount, which is a multiple of the annual wages (six times the wages in case of total permanent disablement, and four times in case of death), the annual wages not being calculated at more than 800 crs., which is less than most of the employees concerned receive.

At first the law only applied to factory hands; three other laws have extended the principle of the professional risks to fishermen, sailors and agricultural and forestry labourers. These three laws are all essentially based on the principles of the law of January 7th., 1898.

The law of May 27th., 1908 applies to employees engaged in agriculture, horticulture and forestry. It distinguishes between holdings of a value of 6,000 crs. and those of less value. In the first case, the landowner or usufructuary is bound to insure his labourers, including the members of the family of the head of the business (with the exception of his wife), when, on account of their work in the business, they may be assimilated to the other employees and when they have completed the tenth year of their age. The law applies also to overseers, if their annual wage is less than 1,500 crs.

In the case of holdings of 6,000 crs. value or under, the landowner has the right to insure in a mutual insurance society recognised by the State, which, for its part, bears half the charge. As a rule, members (including women and children) are insured against accidents occurring in the exercise of their duties, and thus this law provides for the insurance of small independent landowners. At present about 16,000 heads of businesses are members of mutual societies recognised by the State.

The following figures for 1912 show the claims paid in accordance with the laws on accident insurance, not including the daily allowance.

	Disablement	Death
Industrial Workmen	533,520	96,000
Fishermen	16,992	55,800
Sailors	39,648	47,800
Compulsorily Insured Agricultural and Forestry Labourers	401,088	64,700
Voluntarily Insured Agricultural and Forestry Labourers	56,232	7,500

In 1911 the State subvention to the Mutual Societies was 64,689 crs. and in 1912 it was 44,811 crs.

§ 4. Unemployment insurance.

In Denmark the initiative in regard to unemployment insurance was taken by the workmen's syndicates, which formed unemployment societies, with which their members were obliged to register themselves.

The law of April 9th., 1907, amended by a new law of April 8th., 1914, is based mainly on the principles of that on sickness societies, that is to say, it provides for voluntary insurance with Government subventions, when the unemployment societies satisfy certain conditions laid down in the law, amongst which it is enjoined they must submit to Government inspection. The State subvention is compulsory and amounts to half the premiums paid by members. If a society forms a special fund for special allowances in case of unemployment, the State contributes, always with certain reservations, half the amount paid by the members for this special object. On their side, the communes may give financial assistance to unemployment insurance societies, but this is optional, and their subventions may not exceed one third of the members' contributions. If a society has formed a special fund to meet the case of special umemployment, the commune is bound to contribute an amount equal to one third of the members' contributions.

The unemployment insurance societies are formed exclusively for workmen on low wages. Under this head are included employees engaged in a certain trade or profession (for example, industrial or agricultural labourers, including the overseers, commercial employees, employees in offices etc.) The Minister of the Interior may also extend the application of the law to associations the members of which cannot be considered as workmen in the above sense.

The law does not define the expression "on low wages". However; it is agreed that a person cannot be considered as receiving low wages if he earns more than 10,000 crs. when married, or 5,000 crs. when single.

Since the coming into force of the law of April 9th., 1907, insurance against unemployment has made considerable progress. The number of persons insured increased from 70,000 in 1907-08 to 120,289 in 1912-13 and during the same period, the capital of the societies increased from 325,000 crs. to 2,382,000 crs.

	crs.
During the year 1912-1913, for 55 societies now recognised the contributions of the policy holders amounted to	1,420,385
the State Subventions to	833,436
the communal subventions to	374,114
Total . . .	2,627,935

The amount of contribution per member was 11.80 crs. and that of the charges per member 21.85 crs.

§ 5. Subventions to widows.

In terms of the law of May 27th., 1908, the mother of an illegitimate child may, under certain conditions, and with certain restrictions, obtain the pension for her support due from the child's father through the Commissioner of Police of the district, by way of an advance. The costs entailed are borne by the commune in which the father has his residence. Similar rules apply in the case of mothers of legitimate children, whose fathers neglect their duty of supporting them.

The application of this law often led to the injustice that widows with children were often in a worse situation than mothers of illegitimate children. A law of April 29th., 1913, to remedy this, provides that all widows satisfying the conditions laid down in the law, for example, that regarding a maximum of income or property, have a right to a subvention for each child under fourteen years of age, without any limitation of civil and political rights, such as in Denmark is incurred by the receipt of public assistance. The income of the widow must not exceed $^2/_3$ rds. of the amount, free of income tax and her property must not exceed 4,000 crs. However, the income allowed by the law is increased by 100 crs. and the property by 500 crs, for each child less than 14 years of age. The subvention amounts to 100 crs. per ann. and per child under 2 years of age, 80 crs. for each child between 2 and 12 years of age and 60 crs. per child between 12 and 14 years of age.

As this law only came into force on April 1st., 1914, it is not yet possible to make any positive statement with regard to its application.

SWITZERLAND.

AGRICULTURAL INSURANCE IN 1913.

OFFICIAL SOURCE:

RAPPORT DU BUREAU SUISSE DES ASSURANCES SUR LES ENTREPRISES PRIVÉES EN MATIÈRE D'ASSURANCES EN SUISSE EN 1913. (*Report of the Swiss Insurance Bureau on Private Insurance Businesses in Switzerland in* 1913). Published by order of the Swiss Federal Council of June 23rd., 1915, 28th. year. Berne, Francke, 1915.

The Federal Report on private insurance businesses working in Switzerland in 1913 has just been published. This report, which is the 28th. of the series, deals with life, accident, fire and other insurance societies and as far as agriculture is concerned, with livestock and hail insurance. In Switzerland hail insurance business is transacted solely by private societies, whilst for livestock insurance there are both private businesses and public cantonal institutes in which in some cantons the owners are bound by law to insure their livestock. All the private societies insuring livestock or insuring against hail have the legal form of mutual societies.

We have already published in this Bulletin, in August, 1913, a summary of the federal report for the year 1911, and, in December, 1914, a summary of that for 1912. We shall here reproduce that portion of the report for 1913 that relates to agricultural insurance. Several tables we have already given in the above mentioned numbers of this Bulletin, will be found here completed and brought up to date with the help of the figures given in the new report.

§ 1. LIVESTOCK INSURANCE.

Three mutual societies, the *Mutuelle Chevaline Suisse* of Lausanne, the *Badische Pferdeversicherungs-Anstalt a. g.* of Karlsruhe and the *Garantie fédérale* of Paris, and one society limited by shares, the *Perleberger Versicherungs-Aktien-Gesellschaft* of Perleberg (Prussia) were insuring livestock in Switzerland in 1913. The first two only insure horses, the others also insure horned cattle and sheep.

The insurance of horses and horned cattle by large private societies continues to make slow progress in Switzerland. At the end of 1913, 17,573,550 frs. were assured, or 1,470,575 frs. more than in 1912. The premiums collected in Switzerland by the four societies amounted to 638,318 frs. or 2,346 frs. more than in 1912. An increase of nearly 12 % in the amount of losses as compared with 1912 is partly due to the increase of the amount assured, while, it is true, there is no corresponding increase in the premiums. And the bad quality of the cattle foods, hay and oats, since 1912 has continued to produce ill effects. Diseases of the organs of respiration, especially pulmonary emphysema, those of the digestive organs, and chronic lameness are still, together with tuberculosis, the weakness brought on by old age, and accidents, the most frequent causes of losses. The Baden society has come to the conclusion that many cases of colic among horses are due to too sudden a change of diet when they begin to feed on newly harvested oats.

We give here the financial results for the year 1913, for each of the societies working in Switzerland:

The *Mutuelle Chevaline Suisse* paid in claims 75 % of the assured amounts, in accordance with the premium conditions, without calling for supplementary premiums. It has done so since its foundation in 1901. At the end of 1913, it was even able to place a small balance of 1,141.25 frs. to its reserve fund (964.80 frs. in 1912). In 1913 it insured 7,644 horses for 7,505,335 frs., or 367 horses and 367,455 frs. more than the year before. Its working expenses amounted to 20.1 % of the premiums collected (in 1912: 20.3 %). *The Badische Pferdeversicherungs-Anstalt auf Gegenseitigkeit*, also, was able in 1913, as in the 14 preceding years, to do without calling for supplementary premiums. Whenever its balance sheet has shown a loss, it has been able to meet it by means of deductions from the reserve fund not exceeding the amount allowed in the rules. In 1913 it was able to place to the reserve fund the regulation amount of 39,439.16 frs. and closed its accounts with a credit balance of 14,444.30 frs. also placed to the same fund. The total amount assured in Switzerland by the Baden Society at the end of 1913 was 2,605,470 frs. The premiums collected and the claims paid in Switzerland during 1913 amounted respectively to 137,385 frs. and 127,260 frs. These three amounts differ little from those of the preceding year. The policies running for the principal division (members' insurance) showed at the end of the year an increase as compared with 1912 of 366 members and 475 horses insured for an amount of 752,569 frs. and altogether 15,251 members, 21,956 horses and 24,336,610 frs. The proportion of the working expenses remained practically the same as in 1912. The expenses were in

1909	19.5 %	of the amount of premiums collected.
1910	19.4 %	
1911	19.8 %	
1912	19.0 %	
1913	19.4 %	

The *Perleberger Versicherung-Aktien-Gesellschaft* began in 1913 to undertake insurance of butchers' beasts in Switzerland, and paid in claims an amount in excess of that of the premiums collected. It is a society limited by shares, with fixed premiums and no supplementary contributions. Whilst in 1912, it closed its accounts with a loss it was able to meet out of its reserve fund, the year 1913 was more favourable to it ; it realised a profit of 21,290 frs., allowing of the distribution of a dividend of 4 % among the share holders.

The total amount assured by it at the end of 1913 was 379,000,000 frs.

The *Garantie fédérale* of Paris, as we know, divides its business in regard to premiums, claims, expenditure and reserve funds into as many independent sections as there are countries in which it works. Everywhere, however, those insuring with it must themselves undertake the risk of 20 % of the value of the animal. In case of loss, consequently, the claim cannot exceed 80 % of the value. As this is a mutual fixed premium society, and thus has no power to call on occasion for supplementary premiums, the claims actually paid vary considerably according to the amount of cash available. In 1913, the net amount of the claims paid, corresponded with the following percentages of the value of the animals lost :

	Horses	Horned Cattle	Sheep
In France	72 %	80 %	80 %
» Belgium	40.8 %	40.8 %	
» Switzerland, ...	52 %	54.4 %	

As we see, there are very appreciable differences in the various countries and the whole amount of 80 % assured is not very frequently paid. In Switzerland, the *Garantie fédérale* could only pay as we see, 65 % and 68 %, respectively for horses and horned cattle, of the maximum compensation of 80 % of the value of the animal.

The working expenses of every sort are, on the other hand, very high. They were altogether,

in 1909	31.9 %	of the amount of premiums collected.
» 1910	33 %	
» 1911	29.5 %	
» 1912	42.5 %	
» 1913	33.1 %	

The *Garantie fédérale* has begun to form a reserve fund to meet current risks. For its Swiss business, this reserve fund, which was 20,000 frs. at the beginning of 1913, was increased by 4,000 frs. in the year. In addition, an amount of 11,559.60 frs. was entered under this title for the French mut-

TABLE I. — *Subventions Gra*

Cantons			Amount Assured	Head of Livestock Insured	Numbe of Losse
			Frs.		
1. Zurich	Large Livestock		57,237,477	105,707	4,5
	Small »		1,446,998	17,050	7
2. Berne	Large Livestock	(1)	112,160,000	224,320	5,4
	Small »	(1)	351,900	4,140	2
3. Uri			6,379,260	11,501	4
4. Glarus			6,403,790	12,727	4
5. Fribourg			38,379,610	72,429	1,8
6. Solothurn	Large Livestock		18,211,800	42,259	1,1
	Goats		300,360	7,900	5
7. Bâle-Town		(1)	851,500	1,703	
8. Bâle-Country	Horned Cattle	(1)	8,640,000	17,280	6
	Goats	(1)	21,060	585	
9. Schaffhausen	Large Livestock		6,674,440	11,463	4
	Small »		359,115	3,591	1
10 Grisons			37,149,269	72,598	2,3
11. Aargau	Horned Cattle	(1)	36,989,000	73,978	2,2
	Goats	(1)	276,480	7,680	4
12. Thurgau	Livestock over $1\frac{1}{2}$ years of age	(1)	27,876,000	55,752	2,7
	» under $1\frac{1}{2}$ » »	(1	1,047,030	12,318	3
13. Ticino			2,246,537	6,669	1
14 Vaud			30,495,434	63,066	1,4
15. Valais			8,314,027	26,489	5
16. Neuchâtel		(1)	5,459,000	10,918	2
17. Geneva			6,596,953	10,910	3
Total (2)	A	(1)	411,111,127	832,087	25,6
	B	(1)	2,755,913	40,946	2,2
General Total		(1)	413,867,040	873,033	27,8

(1) Approximate Figures. — (2) A = Large Livestock, Horned Cattle. B = Small Livestock, Goats.

Livestock Insurance in 1913.

Claims		Cantonal Subventions		Federal Subventions
Total	Per Animal Lost	Total	Per Head of Livestock	Credit for 1914
Frs.	Frs.	Frs.	Frs.	Frs.
962,788.50	212 —	216,024.53	2.04	222,124.27
27,532.70	35 —	6,099.74	0.36	
847,000.91	155 —	224,320 —	1 —	225,148 —
6,841.59	26 —	828 —	0.20	
94,944.41	236 —	31,896.28	2.77	31,896.28
97,159.45	208 —	20,000 —	1.57	20,000 —
162,025.71	86 —	57,943.20	0.80	57,943.20
136,433.61	116 —	42,259 —	1 —	44,629 —
10,740.57	21 —	2,370 —	0.30	
16,776.25	224 —	4,923.50	2.89	4,923.50
52,083.76	86 —	17,280 —	1 —	17,514 —
726.15	16 —	234 —	0.40	
127,743.32	298 —	31,873.65	2.78	33,902.75
8,140.14	44 —	2,029.10	0.57	
694,985.39	293 —	147,567.65	2.03	147,567.65
178,089.10	79 —	73,978 —	1 —	77,795.10
7,755.72	16 —	3,817.10	0.50	
348,882.98	110 —	55,752 —	1 —	61,911 —
		6,159 —	0.50	
35,775.95	199 —	4,985.79	0.75	4,985.79
318,426.09	214 —	73,935 —	1.17	73,935 —
87,070.35	251 —	26,489 —	1 —	26,489 —
42,649.30	169 —	11,457.99	1.05	11,457.99
49,575.35	156 —	21,820 —	2 —	21,820 —
4,252,410.43	165.88	1,068,664.59	1.28	1,084,042.53
61,736.87	27.56	15,377.94	0.38	
4,314,147.30	154.77	1,084,042.53	1.24	1,084,042.53

ual business, and there was a thrift reserve fund for the same department, of 56,000 frs. These reserve funds to meet current risks are still far from sufficient to meet the losses in the part of the year insured for not taken account of in the year's accounts.

We should only give an incomplete idea of the present state of horned cattle insurance in Switzerland unless we mentioned the many societies undertaking these risks without being subject to the supervision of the Confederation. They are to be found in nearly all the cantons. We remind our readers also that when a canton or an association of owners of horned cattle declare insurance compulsory for a particular territory (commune, district or canton), they Confederation pays through the cantons subventions equal in amount to those they themselves grant to the insurance societies (Federal Law of December 22nd., 1893 on the Improvement of Agriculture by the Confederation). Subventions of this kind are paid by 17 cantons and demi-cantons. In the following table we give precise information in regard to the amount assured and the amount granted in sub ventions in these cantons, reproduced from the report of the Federal Department of Commerce, Industry and Agriculture for 1914. In the case of the cantons for which this report did not show the amount assured, approximate figures are given, based on the average of the other cantons. The average value of a head of large livestock has been fixed at 500 frs., that of a head of small livestock at 85 frs. and that of a goat at 36 frs. From this table it appears that in 1913 the policies running represented the following amounts:

(*a*) Large Livestock	frs.	411,127,127
(*b*) Small Livestock and Goats	»	2,755,913
Total . . .	frs.	413,867,040

The cantons have paid an average subsidy of 1.28 fr. per head of large livestock assured and 0.38 fr. per head of small livestock or per goat, giving an average of 1.24 fr. per animal of any kind. The Confederation, for its part, has paid the same amounts.

§ 2. Hail insurance.

During the year 1913 two mutual societies undertook hail risks in Switzerland, the same two that is that have long been engaged in the business there, the *Société suisse d'assurance contre la grêle* at Zurich and the *Paragrêle* at Neuchâtel. Of these two, the former works in every part of

the Swiss territory undertaking all hail risks of every kind; the second only works in the canton of Neuchâtel and only insures vineyards.

In regard to hail, 1913 was a more disastrous year than 1912; many storms, some of them violent, devastated different parts of Switzerland. On August 29th., especially a heavy fall of hail in nearly all the vineyard district of Neuchâtel almost completely destroyed the last hopes of a large number of vinegrowers, already severely tried by a series of bad seasons and put the local *Paragrêle* Society to severe proof. This shows once more how unreasonable and dangerous it is for a hail insurance society to limit its business to a small district and only insure a single crop. The *Société suisse d'assurance contre la grêle* reports no less than 60 days of hail, with 7,715 declarations of losses (against 44 days and 5,816 declarations in 1912).

The Annals of the Central Swiss Meteorological Establishment for 1913, report 34 days with heavy falls of hail affecting 806 communes and 281 districts, without counting local storms affecting only one or two communes at a time. We give below the dates of the heaviest falls of hail and the number of communes that suffered:

May	17th	57	communes
»	31st	85	»
July	22nd	53	»
»	27th	54	»
September	1st	93	»
»	14th	91	»

The financial results of the two societies are very different. The *Société suisse* has, in spite of all, owing to the extent of the territory in which it works and a judicious distribution of risks, realised a credit balance of 247,993 frs., 40,000 frs. of which were placed to the working capital and 207,993 frs. to the reserve fund. At the end of 1913 it had thus a reserve fund of 3,832,510 frs. with which it will be able successfully to meet losses through storms, for it represents more than 3 $^1/_2$ times the average amount of premiums collected in the last 10 years. On the other hand, the *Paragrêle* was obliged to call for a supplementary premium of 60 % of the original premium and to use half its reserve fund to cover its losses. This reserve fund, which had already suffered a serious loss in 1911 (93,000 frs.), which was, however, partly made up for in 1912 (by means of a profit of 41,000 frs.), was reduced to the amount of 66,750 frs. at the end of the 1913 season. In view of the limited field of the operations of this little society and the danger due to the situation and exposure of the Neuchâtel vineyards, the whole area of which is liable to suffer by a single hail storm, the *Paragrêle* may more than ever expect that the results of its working will be uncertain. But, since the general meeting of members in December, 1912 decided unanimously, except for one vote, with an optimism deserving of

attention, to maintain the *Paragrêle*, and the meeting of 1913 again rejected by a large majority, in spite of the new reverses, a proposal to consider the question of the dissolution of the society, we must believe that the Neuchâtel vinegrowers are satisfied with the results. Let us again remark, so as to avoid any confusion on the subject of the accounts of the society, that the credit balance of 515.45 frs. shown in its profit and loss account, was arrived at after the supplementary premiums and the deduction from the reserve fund had been placed to the revenue account.

We give below some interesting figures for 1913 and the corresponding amounts for 1912.

(a) *Société suisse*:

		1912		1913
1. Number of Policies		65,361		63,407
2. Assured Amount	frs.	79,857,960	frs.	71,173,120
3. Premiums Collected . . .	»	1,353,784	»	1,049,824
4. Claims Paid	»	650,841	»	781,685

(b) *Paragrêle*:

1. Number of Policies		604		571
2. Assured Amount	frs.	661,384	frs.	599,676
3. Premiums Collected. . . .	»	39,807	»	57,611 (1)
4. Claims Paid	»	3,786	»	120,368

We may observe in the case of both societies a decrease in the amount of the policies and of the capital assured. This decrease is due, above all as far as vines and fruit trees are concerned, to the destructive frosts of the spring of 1913. The claims paid amount, in the case of the *Société suisse*, to 1.1 % of the amounts assured (against 0.8 % in 1912), and in the case of the *Paragrêle* to 20.1 % of the amounts assured (against 0.6 % in 1912).

The expenditure also shows an increase in comparison with 1912. It amounted to 17.3 % of the premiums (against 14.6 % in 1912) in the case of the *Société suisse*. In that of the *Paragrêle* it could be reckoned at 11.1 % of the total premiums, but it must not be forgotten that the figure 57,611 frs. for premiums collected is made up, as we have already previously observed, of 36,023 frs. original premiums and 21,588 frs. supplementary premiums. The expenditure represents 17.8 % of the original premiums considered by themselves.

(1) Of this 21,588 frs. were supplementary premiums.

Let us remember in conclusion that the Confederation and the Cantons may come to the help of the hail insurance societies with subventions. These subsidies are granted in accordance with the provisions of the cantonal laws and the federal law of December 22nd., 1893 on Improvement of Agriculture by the Confederation. The Cantons that grant subventions are 21 in number. Only Uri, Glarus, Ticino and the Grisons grant no subsidies and thus prevent their farmers from benefiting by the federal subventions for hail insurance. All the other Cantons make themselves responsible for a proportion of the premiums and the cost of the policies (from 15 % to 40 %). The Confederation, on its side, refunds these Cantons the half of their expenditure.

We reproduce below the table given in the Report of the Work of the Federal Department of Commerce, Industry and Agriculture for 1913. This table gives precise information in regard to the assistance given in 1913 by the Confederation and the Cantons to the hail insurance societies.

TABLE II. — *Hai*

Cantons	Policies	Amount Assured
		Frs.
1. Zurich	4,910	3,988,190.00
2. Berne	13,868	19,022,700.00
3. Lucerne	5,450	11,299,450.00
4. Schwyz	874	1,409,480.00
5. Obwald	324	240,740.00
6. Nidwald	413	394,360.00
7. Zug	852	1,646,490.00
8. Fribourg	1,832	2,945,160.00
9. Solothurn	4,693	3,956,330.00
10. Bâle-City	40	100,120.00
11. Bâle-Country	2,691	1,721,330.00
12. Schaffhausen	2,474	1,982,650.00
13. Appenzell R. E.	727	929,340.00
14. Appenzell R. I.	106	203,170.00
15. St. Gall	3,193	3,577,750.00
16. Aargau	11,527	6,600,360.00
17. Thurgau	3,544	2,749,110.00
18. Vaud	3,816	5,870,310.00
19. Valais	78	46,390.00
20. Neuchâtel	1,310	1,499,325.85
21. Geneva	686	1,608,325.00
Total 1913	63,408	71,791,080.85
» 1912	65,421	80,495,106.70
» 1911	61,991	72,036,190.00
» 1910	60,597	67,984,696.00

* * *

Figures have already been given in this Bulletin in the VIth. Table accompanying the article by Dr. G. Rocca on the *Development of Agricultural*

Insurance in 1913.

Premiums	Cantonal Expenditure			Federal Subventions
	a. Cost of policies	b. Premiums	c. Total	
Frs.	Frs.	Frs.	Frs.	Frs.
70,921.50	9,896.10	17,730.24	27,626.34	13 813.17
237,208.00	35,441.00	50,999.54	86,440.54	43,220.27
155,645.10	12,296.50	31,129.02	43,425.52	21,712.76
20,870.70	1,654.60	6,261.21	7,915.81	3,957.90
4,776.40	588.60	955.28	1,543.88	771.94
7,326.10	777.20	1,465.22	2,242.42	1,121.21
26,125.50	2,110.50	7,837.65	9,948.15	4,974.08
30,230.10	3,501.60	6,046.02	9,547.62	4,773.81
48,282.90	8,640.70	9,936.48	18,577.18	9,288.59
1,402.40	80.00	560.96	640.96	320.48
26,121.50	5,230.90	7,456.18	12,687.08	6,343.54
35,382.80	4,346.60	8,845.66	13,192.26	6,596.13
13,466.10	1,370.80	3,366.51	4,737.31	2,368.66
2,195.70	106.00	329.35	435.35	217.68
34,192.60	7,549.20	7,342.52	14,891.72	7,445.86
84,152.20	20,818.40	12,622.65	33,441.05	16,720.53
30,678.30	6,259.60	8,789.16	15,048.76	7,524.38
117,113.30	10,844.40	45,069.17	55,913.57	27,956.79
2,120.50	211.80	636.15	847.95	423.98
62,981.65	540.66	25,192.66	25,733.32	12,866.66
78,198.90	1,565.40	46,919.30	48,484.70	24,242.35
1,089,392.25	133,830.56	299,490.93	433,321.49	216,660.77
1,393,989.65	129,404.74	393,386.89	522,791.63	261,395.78
1,219,585.02	123,241.51	341,579.36	464,820.87	232,410.39
1,098,361.35	118,897.25	270,339.35	389,236.60	194,618.27

Insurance in Recent Years (Switzerland) in the 12th. number for our Vth. Year. December, 1914, showing the results obtained by the *Société Suisse d'assurance contre la grêle* from its foundation (1880) up to 1912.

We shall now give the total results for that period (1880-1912), the results obtained in 1913, and the complete figures for the period 1880-1913.

TABLE III. — *Results Obtained by the Société suisse d'assurance contre la grêle since its Foundation,*

1st. Profit and Loss Accounts from 1880 to 1913.

Years	Revenue				Expenditure			
	Premiums	Net Supplementary Premiums	Other Revenue (Interest on Capital etc.)	Total Revenue	Claims Paid	Working Expenses and Taxes	Profits	Losses
	Frs.	Frs.	Frs.	Frs.	Frs.	Frs.	Frs.	Frs.
1880 1912 . . .	18,737,712.64	490,712.80	1,533,952.10	20,762,377.54	13,971,584.23	3,116,277.19	4,444,010.24	796,494.12
1913	1,049,823.70	—	158,110.25	1,207,933.95	781,684.70	178,255.79	247,993.46	—
1880-1913 Total .	19,787,536.34	490,712.80	1,692,062.35	21,970,311.49	14,753,268.93	3,294,532.98	4,692,003.70	796,494.12
	20,278,249.14				Percentage of Premiums 72.8	Percentage of Premiums 16.2	Profits frs.	3,992,509.58

2nd. Proportion of the Items of Revenue and Expenditure to the Amounts Assured.

Years	Policies	Amounts	Proportion of Revenue and Expenditure to the Amounts Assured							
			Revenue				Expenditure			
			Premiums	Supplementary Premiums	Other Revenue	Total	Claims Paid	Working Expenses and Taxes	Profits	Losses
		Frs.	Frs.	Frs.	Frs.	Frs.	Frs.	Frs.	Frs.	Frs.
1880-1912	1,070,127	1,061,898,091	0.77	0.05	0.14	1.96	1.32	0.29	0.42	0.07
1913	63,407	71,173,120	1.47	—	0.22	1.70	1.10	0.25	0.35	—
1880-1913 Total. . .	1,133,534	1,133,071,211	1.75	0.04	0.15	1.94	1.30	0.29	0.41	0.07

Part III : Credit

GERMANY.

MEASURES TAKEN OR PROPOSED BY THE PRUSSIAN LANDSCHAFTEN FOR THE EXTENSION OF THEIR MORTGAGE CREDIT TO PEASANT HOLDINGS. *(Continued).* (1)

by Dr. R. LEWECK,

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§ 5. NEW CREDIT INSTITUTE FOR BRANDENBURG.

The New Credit Institute for Brandenburg was founded in 1869 for the holdings excluded from the benefits of the Land Credit Association for the Nobles' Estates of Kur- and Neumark. To receive credit from the latter association, a noble's estate must have a minimum value of 18,000 marks, whilst the minimum value for other estates is 60,000 mks. Whilst the older Institute grants credit for nobles' estates and large landed estates, that more recently founded was intended to assist holdings of medium size and small holdings, especially peasants' holdings.

The minimum value of the holding on which mortgage could be passed was at first a net yield of 50 thalers, as estimated for the purposes of the land tax; in 1890 the minimum was reduced to 100 marks.

For the benefit of small holdings a further reduction was made, first in 1897 to 75 marks and then in 1911 to 50 mks., with the general provision

(1) See the number of this Bulletin for August, 1915.

that 5 ha. utilised for farming would in any case justify a mortgage. In 1911, the condition, until then necessary, that the holding must suffice for the support of the owner, was set aside. Further, in fixing the limits of the mortgage, account was taken of the conditions of small holdings. As a rule, the amount of the loan granted is in proportion to the land tax assessment; however, under certain conditions it may be fixed in accordance with the rate of valuation adopted in the case of nobles' estates (*Bonitierungstaxe*); and more particularly, in the case of holdings the revenue from which for the purposes of the land tax is calculated at 1,500 marks or more, the choice is left to the landowner; and, when this revenue is less than 1,500 marks, but not less than 900 mks., the matter is decided by the Chief Management of Noble's Estates (*Haupt-Ritterschafts-Direktion*). In determining the value, the net yield calculated in the same way is taken and to it is added an amount equal to ten times the value in use of the dwelling houses (*Wohngebäudenutzungswert*). The net yield for purposes of the land tax must generally be multiplied by 35. In 1890 this co-efficient was fixed at 50 in the case of holdings the net revenue from which for purposes of the land tax was less than 900 marks, when the land tax assessment was notoriously lower than the real conditions would warrant; but at the same time it was decided not to take account of the value in use of the buildings. In 1905, this value in use of buildings was again taken into account, which was specially an advantage for small holdings. On small holdings, especially in the neighbourhood of towns, the existence of important buildings may have a really excessive influence when the amount of the mortgage on the entire holding has to be fixed; this difficulty was overcome by establishing a total value in use for the buildings. In the great Reform of the principles of valuation based on the labours of Prof. Dr. Aereboe, in the Regulations of February 27th., 1911 and April 27th., 1914, account was taken of the size of the farm, and especially of the particular conditions of small holdings. The necessity was recognised of a valuation on the basis of the land tax, rather than on that of the *Bonitierungstaxe*, as the first method, besides giving a more general value, presents the great advantage of greater promptness and facility in the grant of the credit, and avoids too considerable expense, which is a condition indispensable for small holdings, in the case of which, as a rule, too high estimates cannot be taken into consideration. On the other hand, experience showed that the procedure formerly followed, as a rule, of fixing the taxable value by means of a single invariable multiplier could not satisfy the just requirements of small holdings. This circumstance, and the evident necessity for small landed property that the system of valuation on the basis of the land tax should be preserved, have made it advisable to revise the system further and indicated the lines to be followed in this revision. For similar reasons also the principles of estimation which form a necessary complement to the provisions respecting valuation on the basis of the land tax have also been revised.

In both cases a new rule has been established, in accordance with which the estimated value of the security, two thirds of which at most may be lent, is not fixed first, but instead the amount of the loan that may be granted

on the security of *lettres de gage* is directly established. After the land tax has been established, it is possible to calculate with sufficient precision any modifications in the value of the holding. These modifications vary with the size of the holding. Thus the increase in value after the date at which the land tax is fixed is far more considerable in the case of small holdings; and especially those less than 10 ha. in area have increased very considerably in value. Whence it follows, that if we wish to fix the value of a holding on the basis of the net revenue as calculated for the purposes of the land tax, the amount of this revenue must be multiplied by a coefficient which must be larger in proportion as the holdings considered are smaller. Consequently, the scale of co-efficients to be used in fixing the amount of the loans has been made out in proportion to the advantage enjoyed by the small holdings. Another fact by which small holdings benefit, is that the buildings are now valued at a far higher rate than formerly; and it is evident that on small farms the buildings represent a far higher proportion of the total value than on large. When the amount of the loan on *lettres de gage* has been fixed, account is taken of all the buildings serving as dwelling places and utilised for the purposes of the farm, provided their value has been estimated by a public insurance institute; and in this case the value of the buildings may be taken as one fourth of the total value of the holding. Even in the rules regulating the estimation of the value of holdings, the question of the importance of the size of the holding for the determination of the value was settled entirely in favour of small holdings. Dr. AEREBOE (1), by means of minute and careful research, has shown the differences in value of the mere soil in the case of large and small holdings, as well as the proportional value per hectare including the stock for small and large holdings, respectively, and all the superiority of small holdings, even in respect to possible yield (*Rentabilität*). It follows that the coefficients for the valuation of holdings vary in accordance with the area, and are highest for farms of not more than 15 ha. So also, the additional estimates for ponds systematically maintained, sheets of water and scientific organisation of meadows, vary with the area of the holdings and are highest for small holdings. Similar principles are followed in determining the value of the buildings for the purpose of establishing the amount of the loans to be obtained on *lettres de gage*; so that the smaller the holding, the higher will be the value of the capital invested in buildings in relation to the total value; it may be observed in this connection that the possibility contemplated in the rules for credit that the value of the buildings may be 50 % of the amount serving as basis for the grant of the loan is in itself all to the advantage of small holdings.

The rates to be paid for the establishment of the amount of the loan were fixed in accordance with the amount lent, no account being taken of the actual expenses of the Institute, so that for small loans, up to 1,500, 3,000, or 4,000 mks. etc., the rates should not exceed 10, 15 and 20 mks. respectively.

(1) Prof. Dr. AEREBOE: *Die Taxation von Landgütern und Grundstücken*. Berlin, 1912.

With the object of encouraging small landowners to have recourse to credit, the Provincial Boards of Management of the Nobles' Estates (*Provinzial-Ritterschafts-Direktionen*), administrative organisations of the Credit Institute, and in particular also the Commissioners, are exerting an important action, sometimes through the medium of the agricultural associations and the local press. These authorities are doing their utmost that the utility and the aims of the Institute may be fully understood, and for this purpose they distribute and circulate the leaflets published by the "*Hauptritterschafts-Direktion*": "General Account of the Objects of the New Brandenburg Credit Institute" and "Collection of the Provisions most directly concerning Holdings, extracted from the Rules of the New Brandenburg Credit Institute," which may be studied with advantage for information on the matter. To encourage all this work, the provincial boards of agriculture have been authorized to cease taking advances in money for the costs of estimation. To meet this expense, as well as any other involved in the business, the landowner may obtain a simple advance of 3 % of the amount of the loan to be made, to be repaid in regular instalments.

The following tables give an idea of the work of the New Brandenburg Institute, in relation to the grant of credit to farmers. They show an increase in the number of holdings mortgaged and the amounts lent (Table I), while the business of the Nobles' Estates Institute, in comparison, apart from slight fluctuations, has remained stationary; and again we find (Table III) an increase in the amount of small loans as compared with those for more than 100,000 marks. We may observe further in Table II the higher percentage of the amount of the loans, and even more of the mortgaged holdings, for the classes of an area not exceeding 20 ha. and between 20 and 50 ha., and that this percentage is continually increasing; whilst the percentage for the classes of area between 50 and 100 ha. and exceeding 100 ha. remain unvaried, except for slight fluctuations. It further deserves to be said that small holdings (of not more than 20 ha.) have more promptly applied for credit and for larger amounts from the New Brandenburg Institute, than, for example, from the East Prussian Landschaft, where very active propaganda was first needed.

TABLE I. — *New Brandenburg Credit Institute. — Holdings Mortgaged and Amount of Loans.*

Year	Number of Holdings Mortgaged			Amount of Loans		
	New Brandenburg Credit Institute	Credit Institute for Nobles' Estates of Kur- and Neumark	Total	New Brandenburg Credit Institute	Credit Institute for Nobles' Estates for Kur- and Neumark	Total
				Marks	Marks	Marks
1896 . . .	7,348	1,027	8,375	114,496,000	197,404,160	311,900,160
1901 . . .	9,249	988	10,237	133,764,650	192,809,340	326,573,990
1904 . . .	9,760	962	10,722	139,828,950	191,824,260	331,653,210
1907 . . .	10,071	944	11,015	141,475,350	191,171,310	332,646,660
1909 . . .	10,241	923	11,164	142,820,650	186,888,080	329,708,730
1912 . . .	10,444	877	11,231	146,202,400	180,807,920	327,010,320
1914 . . .	10,578	873	11,451	153,714,850	188,867,870	342,582,720

TABLE II. — *New Brandenburg Credit Insti*

Year	Not Exceeding 20 ha.				Between 20 and 50 ha.			
	Number of Holdings	Amount of Loans Mks.	Percentage of Total Number of Holdings	Percentage of Total Amount of Loans	Number of Holdings	Amount of Loans Mks.	Percentage of Total Amount of Holdings	Percentage of Tot Amo of Loa
1896 . . . } 1901 . . . }								Cannot
1904 . . .	3,591	23.787,950	36.8	17.0	3,965	47,841,750	40.6	34
1907 . . .	3,707	24,976,550	36.8	17.7	4,133	49,011,850	41.5	34
1909 . . .	3,797	25,429,500	37.1	17.8	4,210	50,345,150	41.1	35
1912 . . .	3,960	26,942,700	37.9	18.4	4,283	51,954,600	41.0	35
1914 . . .	4,008	27,742,100	37.9	18.1	4,367	54,665,700	41.3	35

TABLE III. — *Classification of New Brandenburg Credit Institute Loans, according to Amount.*

Year	Not Exceeding 10,000 Mks.	Between 10,000 Mks. and 50,000 Mks.	Between 50,000 Mks. and 100,000 Mks.	Exceeding 100,000 Mks.
1907	5,752	3,990	248	81
1909	5,877	4,046	242	76
1912	6,027	4,122	222	73
1914	6,021	4,228	255	74

§ 6. NEW POMERANIAN LANDSCHAFT.

On August 9th., 1871, the Pomeranian Land Credit Association, an institute of credit for small holdings, was founded and in 1895 it received the name it still goes by : " New Pomeranian Landschaft for Small Holdings ".

The limit of value of the small holdings for which this Institute was founded is determined by the value of the holdings that may receive credit from the Pomeranian Landschaft in accordance with its rules, that

tribution of Mortgaged Holdings According to Area.

	Between 50 and 100 ha.			Exceeding 100 ha.			
		Percentage of				Percentage of	
umber of ldings	Amount of Loans Mks.	Total Number of Holdings	Total Amount of Loans	Number of Holdings	Amount of Loans Mks.	Total Number of Holdings	Total Amount of Loans
ertained							
,729	35,718,350	17.7	25.6	475	32,480,900	4.9	23.2
,767	36,885,850	17.6	26.1	464	30,601,100	4.6	21.6
,790	37,318,750	17.5	26 1	444	29,727,250	4.3	20.8
,786	87,689,300	17.1	25.8	415	29,615,800	4.0	20.3
.789	40,086,250	16.9	26.1	414	31,220,800	3.9	20.3

is to say the Nobles' Estates of Pomerania, and holdings in New Pomerania and Rügen, with net yield as calculated in accordance with the land tax respectively af 1,500 and 3,000 marks. The holdings which may receive credit on *lettres de gage* from the Pomeranian Land Credit Association are those the net yield from which calculated in accordance with the land tax is at least 100 marks, and, since 1895, 60 marks. By way of exception, the General Management of the Landschaft may also give credit on holdings the net yield from which is less than 60 mks.

New provisions aim at raising the valuation of the holdings and the amount of the loans, while they reduce the expense. The use of the coefficient 45 as multiplier of the net yield as based on the income tax was allowed in 1895 in the case of holdings the net yield of which is 1,000 mks. instead of 1,500 as before required; and the supplement which may be added in consequence of permanent favourable conditions, to the value of the holding, was raised to from 5 to 50 %, while before it was fixed at from 5 to 15 %. In the case of all holdings valuation on the basis of the soil (*Grundtaxe*), in accordance with which the area is valued according to the class of crops and the quality of the soil, a method which is called *Tariftaxe*, is admitted.

In fixing the supplementary value to be allowed for the two classes of valuation (that on the basis of the land tax and that on the basis of the value of the soil), according to the regulations published in 1911-12, quite special account is taken of the needs of small holdings. The maximum supplement for valuation on the basis of the land tax is 60 % and in the

other case 25 %, if the area is not more or very little more than 100 ha.; otherwise it is 10 % at most. Further, in both systems of valuation, in the case of holdings of not more than 100 ha., or very little more than 100 ha., a special supplement is allowed for buildings graduated on a scale diminishing for every 10 hectares of the area of the holding, from 50% for holdings up to 50 hectares to 25 % for those above 90 ha.

Without any valuation or any deduction of claims, the amount of the loan may be raised by the Departmental Management to 15 times the amount of the net yield as based on the land tax and 20 times the same sum, if the General Mangement approves.

Farms may receive credit in the same proportion even if they have no buildings or livestock and even if they are situated in urban districts. If the net yield does not exceed 1,500 marks they will not have to pay charges for the work of valuation carried out on either system. If these conditions are not satisfied, the costs will only be paid *in full* when the net yield calculated for the land tax exceeds 1,500 mks. If the amount of the net yield is between 1,000 and 1,500 mks., the maximum amount to be paid is fixed at 50 marks and if the yield is less than 1,000 mks. at 25 marks. The presentation of a certified extract from the cadastre ceased to be necessary in 1898 ; a simple copy is enough ; however, the management reserves the right of demanding that it be certified.

To facilitate valuations and loans, it is provided that applications for valuation may be addressed not only to the departmental management, but also to confidential agents expressly appointed for each district, and, in exceptional cases, private mortgages, the rights reserved by relations and other charges on the holding, of temporary nature, may provisionally continue to appear in the cadastre before the *lettres de gage*, provided that a sum corresponding to the *lettres de gage* issued is deposited with the Landschaft until the above charges are extinguished. The work done by the New Pomeranian Landschaft for small holdings was up to 1895 quite insignificant. Since then the number of holdings mortgaged to the new Institute has exceeded that of those mortgaged to the Pomeranian Landschaft.

The amount of the *lettres de gage* issued also has increased without ceasing and this increase was above all great in the years 1896-1901 (Table IV). The small holdings of not more than 20 ha., and those between 20 and 50 ha. in area receive most loans, and the proportion goes on increasing (Table V) ; one third of the total amount of the loans is represented by small credits (up to 10,000 marks).

TABLE IV. — *Total Amount of Loans.*

Year	Number of Holdings of the New Pomeranian Landschaft	Number of Holdings of the Pomeranian Landschaft	Total	Amount of Loans of the New Pomeranian Landschaft Mks.	Amount of Loans of the Pomeranian Landschaft Mks.	Total
1896	252	1,512	1,764	6,295,150	228,414,125	234,709,675
1901	724	1,482	2,209	15,135,200	237,059,825	252,195,025
1904	1,081	1,470	2,551	22,740,750	245,678,025	268,418,775
1907	1,292	1,468	2,760	27,313,900	257,871,175	285,185,075
1909	1,295	1,423	2,718	27,666,800	256,890,425	284,557,225
1912	1,320	1,278	2,598	27,994,700	263,245,225	291,239,925
1914	1,338	1,265	2,603	29,448,800	268,912,950	298,361,750

TABLE V. — *Distribution of the Number of Loans Granted by t*

Year	Not Exceeding 20 ha.				Between 20 and 50 ha.			
	Number of Holdings	Amount of Loans Mks.	Percentage of		Number of Holdings	Amount of Loans Mks.	Percentage of	
			Total Number of Holdings	Total Amount of Loans			Total Number of Holdings	Total Amoun of Loan
1905	239	1,545,350	21.7	6.5	450	6,757,800	40.7	34.
1914	308	—	23.0	—	563	—	41.1	—

TABLE VI. — *Distribution of Loans, according to Amount*

Year	Up to 10,000 Mks.	Between 10,000 Mks. and 50,000 Mks.	Between 50,000 Mks. and 100,000 Mks.	Exceeding 100,000 Mks.
1914	444	752	101	23

§ 7. POSEN LANDSCHAFT.

Agricultural Credit was extended to small holdings (or peasant holdings), as a result of the amendment of the Rules made on April 28th., 1879, by which peasant landowners, holding land valued at less than 6,000 mks. were granted a right to participate in the *New Agricultural Credit Association*, whilst up to then the minimum value required for the purpose was not less than 5,000 thalers.

The *New Agricultural Credit Association* in 1885 assumed the name of the "*Posen Landschaft.*"

The minimum value of a holding entitled to receive credit was fixed at 4,000 marks in 1884, and at 3,000 marks in 1896. This last value, it is reckoned, corresponds with that of a holding on the produce of which the farmer can live.

w Pomeranian Landschaft, according to the Area of the Holdings.

Between 50 and 100 ha.				Exceeding 100 ha.			
Number of oldings	Amount of Loans Mks.	Percentage of Total Amount of Ho'dings	Percentage of Total Amount of Loaas	Number of Holdings	Amount of Loans Mks.	Percentage of Total Number of Holdings	Percentage of Total Amount of Loans
275	7,187,000	24.8	30.4	141	8,173,050	12.8	34.6
320	—	24.0	—	147	—	10,9	—

The entrance fees and the charges on the business operations were much reduced in 1896, in favour of small holdings.

For the valuation of holdings, in accordance with the rules for valuation of March 9th., 1902, account is taken of the interests of small holdings. These Rules provide that for holdings the value of which does not exceed 60,000 marks, the estimate must include not only buildings in masonry, but also those built with mortar of loam and straw with fireproof roofs. Much complaint had been made before this date that buildings in masonry were alone taken into account in the estimates. Small holdings have also been considerably favoured by the provisions of the Order of March 28th., 1907, regulating the value of the holdings, and providing that the estimated value should represent for *all* holdings the fourth of the total value of the fields and meadows; in addition, the limitation in regard to the buildings on small holdings (which had to be massive constructions and buildings in mortar of loam and straw with fireproof roofs) was removed at the same time. Finally the amount of the capital in land was increased by 20 % roughly speaking, which also means an increase in the supplements established as percentage of the capital.

The work of the Posen Landschaft is shown in the following tables (Tables VII, VIII and IX). The fact that the number of holdings mortgaged with an estimated value of less than 15,000 marks is increasing, and that such holdings represent more than half the total number of holdings (Table VIII), indicates the degree in which small holdings have shared in the loans since 1896. Even the number of small holdings up to 20 ha. in area, and between 20 and 50 ha. in area has increased both absolutely and in proportion (Table IX).

TABLE VII. — *Total Loans.*

Year	Number of Holdings	Loans Granted
1896	6,528	261,450,400
1901	6,643	277,478,000
1904	7,311	302,755,000
1907	7,553	335,786,300
1909	8,316	359,371,800
1911	8,958	384,190,900
1913	9,828	415,708,400

TABLE VIII. — *Distribution of Loans among Holdings of Estimated Value respectively below and above* 15,000 *marks.*

Year	Holdings the Estimated Value of which is less than 15,000 Mks.				Holdings the Estimated Value of which exceeds 15,000 Mks.			
	Number of Holdings	Amount of Loans Mks.	Percentage of		Number of Holdings	Amount of Loans Mks.	Percentage of	
			Total Number of Holdings	Total Amount of Loans			Total Number of Holdings	Total Amount of Loans
1896	3,461	—	50.0	—	2,067	—	47.0	—
1901	3.564	—	53.7	—	3,079	—	46.3	—
1904	3,957	—	54.1	—	3,354	—	45.9	—
1907	4,056	21,578,000	53.7	6.4	3,497	314,208,300	46.3	93.6
1909	4,608	23,577,500	55.4	6.6	3,708	335,749,300	44.5	93.4
1911	4,990	25,867,500	55.7	6.7	3,968	358,323,400	44.3	93.3
1913	5,449	28,629,000	55.4	6.9	4,379	387,079,400	44.5	93.1

TABLE IX. — *Distribution of Loans according to the Area of the Holdings.*

Year	Holdings not Exceeding 20 ha. in area	Percentage of total Holdings Mortgaged	Holdings of area between 20 and 50 ha.	Percentage of total Holdings Mortgaged	Holdings of area between 50 and 100 ha.	Percentage of total Holdings Mortgaged	Holdings Exceeding 100 ha. in area	Percentage of total Holdings Mortgaged
1896. . . .	2,170	33.2	2,400	36.8	640	9.8	1,318	20.2
1904. . . .	2,384	33.4	2,637	37.0	694	9.7	1,415	19.9
1913. . . .	3,590	36.5	3,880	39.5	955	9.7	1,403	14.3

§ 8. LANDSCHAFT OF THE PROVINCE OF SAXONY.

The Credit Institute approved by the Sovereign on May 30th., 1864 under the name of "Landschaftliches Kreditverband der Provinz Sachsen," assumed in 1888 a legal and public character as the Landschaft of the Province of Saxony, open to all owners of agricultural or forest land in the Province, the yield of which as calculated for the land tax is not less than 50 thalers. The limit fixed for the purposes of the loan was reduced in 1896 to 90 marks net yield, on the supposition that in this way all holdings on the produce of which a family could live might in future receive credit from the Landschaft. As this no longer corresponds with existing conditions on account of the further development of quite small holdings, in 1913 it was provided that the board of management shall have power to grant loans on land the net yield of which as estimated for the land tax is less than 90 marks, provided the produce of the farm suffices for the support of a family. In this way credit has been extended to the smallest holdings.

In 1896 several facilities were granted for the valuation of small holdings, at the same time permitting of an increase of the estimates. Up to that date, an agricultural estimate of the holdings was always required, when the loan amounted to more than 20 times the net yield. In 1896 the Board of Management received power to grant loans on *lettres de gage*, without formal estimate for amounts of not more than 24 times the net yield, if this yield were not more than 1,000 mks., and not more than 30 times the net yield, when the latter did not exceed 500 mks. This process is called "*formlose Abschätzung*" or estimation without formality. The above maxima were raised in 1911 to 2,000 and 1,000 mks. respectively and in 1913 to 3,000 and 2,000 mks. respectively. Already in 1895 the Valuation Commissioner was authorized himself to make the estimate, in the case of quite small holdings; when the net yield exceeded 1,000 marks he had to be assisted by two ex-

perts. Since 1913, with the object of reducing the costs of the loan transactions, the employment of experts was further limited. For estimates on which the land tax is fixed, experts are only required when the Valuation Commissioner or the Board of Management consider their collaboration necessary; however, in the case of the estimates fixed in 1909, based on the *Bonitierungtaxe*, their collaboration may be limited to the case of holdings of more than 100 ha. of fields, meadows or gardens, with more than 100 ha. of forest land, the net yield from which as calculated for the land tax does not exceed 4,000 mks. In 1903, it was decided that buildings were to be considered as to some degiee security for the loans, which was above all an advantage for small holdings. For this purpose, henceforth, the buildings, whether dwelling houses or others, belonging to a holding might be taken into consideration for the fourth part of the insurance value assigned to them by a public fire insurance society ; but the amount lent could never exceed three times the net yield and the total loan could not exceed 33 times the net yield.

Since 1913 the supplementary loan may be six times instead of three times the net yield calculated for purposes of the land tax, provided it never exceeds the fourth part of the amount for which the buildings aie assured.

In the case of "*formlose Abschätzung*" of holdings, the net yield of which is less than 500 marks, and under certain definite conditions, the inspection of the building may be dispensed with.

To facilitate operations, the expenses of valuation have been greatly reduced. Thus, in 1913, the minimum amount of expenditure required for a *Bonitierungtaxe* was reduced from 100 to 50 mks. The charges are therefore really, in the case of small and medium sized holdings, in the majority of instances, less than the real costs.

The Landschaft of the Province of Saxony has therefore not been specially founded for the benefit of large holdings. The organization of its loans, as seen in the following tables, clearly indicates that it is with the small and medium sized holdings that this Institute has from the start conducted most of its credit business. There has been a continual increase in the amount of credit granted to holdings not exceeding 20 ha. in area and between 20 and 50 ha. in area, whilst in the case of holdings more than 100 ha. in area there has been relatively a notable decrease (Table XI).

TABLE X. — *Total Loans.*

Years	Number of Loans on Lettres de gage				Amount of Loans
	Holdings		Nobles' Estates	Total	Mks
1896		1,143	235	1,378	89,616,575
1901		1,529	268	1,797	107,773,125
1904		1,819	306	3,125	132,212,925
1907	about	2,183	about 330	2,513	158,151,575
1909	„	2,384	„ 350	2,734	172,602,525
1912	„	2,817	„ 385	3,202	227,996,825
1913		2,927	411	3,338	244,347,475

TABLE XI. — *Distribution of Loans, According to Area of Holdings.*

Year	Not Exceeding 20 ha.		Between 20 and 50 ha.		Between 50 and 100 ha.		Exceeding 100 ha.	
	Holdings	Percentage of all Holdings Mortgaged	Holdings	Percentage of all Holdings Mortgaged	Holdings	Percentage of all Holdings Mortgaged	Holdings	Percentage of all Holdings Mortgaged
1894	about 300	34.4	about 250	28.6	about 130	14.9	193	22.1
1905	787	38.2	613	29.8	312	15.1	348	16.9
1912	„ 1,075	36.1	„ 900	30.3	„ 475	16	about 525	17.6
1914	1,186	36.3	995	30.5	528	16.1	557	17.1

§ 9. LANDSCHAFT OF THE PROVINCE OF WESTPHALIA.

The Landschaft of the Province of Westphalia was founded as a Society on July 15th., 1877, and, like the Landschaft of the Province of Saxony, only assumed the character of a public credit institute in 1899. It makes no difference between nobles' and peasants' holdings. The only condition for credit is a certain value to be determined in accordance with the net yield as calculated for the purposes of the income tax. The minimum value was first 150 mks., but it has been reduced, gradually, to 50 marks. The amount of the loan at first was a sum twenty two times the amount of the net yield as estimated for the income tax, without consideration of the value of the

buildings. It was afterwards raised to 30 times this amount, provided this did not exceed $^2/_3$rds. of the agricultural estimate (that is to say of the net yield actually arrived at by employing the ordinary coefficient 25). Later on, it was permitted that the amount of the loan should be $^2/_3$ rds. of this estimated value, when it could be shown that since the last cadastral survey, the land mortgaged had undergone essential improvement or its value had been permanently increased.

Great efforts have been made in the last thirty years, both by means of interview and in writing, to make the Landschaft better known. The Westphalian Peasants' Society has availed itself in the matter of all its many and influential relations.

As the following tables show, credit to small and medium sized farms has occupied a great deal of the attention of the Westphalian Landschaft. This is already seen in the average amount of the loan granted (Table XII); the increase in the number of small and very small holdings mortgaged (Table XIII) shows it still more clearly.

TABLE XII. — *Total Loans.*

Year	Number of Members	Amount of Loans
1896	2,970	46,075,000
1901	3,309	56,669,200
1904	3,663	66,118,700
1907	4,117	77,136,200
1909	4,587	88,575,800
1912	4,986	102,904,300
1913	5,114	107,371,400

TABLE XIII. — *Distribution of Loans according to Area of Holdings.*

Year	Not Exceeding 20 ha.		Between 20 and 50 ha.		Between 50 and 100 ha.		Exceeding 100 ha.	
	Holdings	Percentage of Total Holdings Mortgaged	Holdings	Percentage of Total Holdings Mortgaged	Holdings	Percentage of Total Holdings Mortgaged	Holdings	Percentage of Total Holdings Mortgaged
	about							
1896	1,200	40.4	1,160	39	380	12.8	230	7.8
1905	1,597	41.5	1,539	40	493	12.8	217	5.7
1913	2,175	42.5	2,100	41.1	640	11.8	199	3.9

§ 10. Agricultural Credit Association for the Province of Schleswig Holstein.

The Schleswig Holstein Agricultural Credit Association was founded in 1882 for all agricultural and forestry holdings of the province, of a net yield of at least 150 marks. This amount was reduced in 1900 to 50 marks. This Institute is concerned almost exclusively with peasant holdings. Its rule for estimating values is based on an estimate of the rental value (*Pachtwertschätzung*) fixed in proportion to the net yield as calculated for the income tax. In the case of holdings with a net yield of less than 1,000 marks a shorter method is followed. The ordinary maximum amount of loan is fixed at 30 times the net yield, but in certain special cases this limit may be passed. Very small holdings generally receive loans relatively higher than the large holdings in consideration of the fact that they are always in demand and that it is therefore possible to sell them under favourable conditions and that also the value of the buildings represents in their case a larger proportion of the total value, and that the net yield of the holding is always higher, as the landowner and his family themselves cultivate the farm and can dispense with outside labour.

The following tables show the uninterrupted progress made by this Association in the last 20 years and at the same time the increasing amount of credit granted by it to small holdings.

Table XIV. — *Total Loans.*

Year	Number of Members	Amount of Loans Mks
1896	562	11,450,900
1901	886	16,162,100
1904	1,685	30,546,800
1913	about 3,000	66,689,300

TABLE XV.— *Distribution of Loc*

Year	Not Exceeding 20 ha.				Betwee	
	Holdings	Amount of Loans Mks	Percentage of Total Holdings Mort-gaged	Percentage of Total Amount of Loans	Hold-ings	Amount of Loans Mks
1896	about 140	—	25.0	—	250	—
1905	554	3,955,700	27.5	—	918	15,166
1914	» 950	—	29.7	—	1,500	—

§ 11. SCHLESWIG HOLSTEIN LANDSCHAFT.

The Schleswig Holstein Landschaft was founded in 1895 for all nobles' estates of the province, exclusive of the Duchy of Lauenburg, provided that their net yield as calculated for the income tax were not less than 1,500 marks. Its sphere of action was extended in 1905, by the admission of all farm or forest holdings of the province of Schleswig Holstein, exclusive of the Duchy of Lauenburg and the principality of Lübeck belonging to the Grand Duchy of Oldenburg, the net yield from which was at least 150 marks. In 1905 the limit was reduced to 50 marks, for all holdings in the district of the Landschaft, and finally, in 1912, the criterion of the net yield was abandoned and all holdings with at least 5 ha. cultivated, serving to support a family, were granted loans. In this way all holdings utilised for agriculture, whether belonging to nobles or peasants, could receive credit from the Landschaft, on condition of their at least providing their owners with means of subsistence. The loan is granted either on the basis of the land tax assessment, or in accordance with what has been called the *Bonitierungstaxe*. In the first case the amount is fixed at 35 times the net yield as calculated for the land tax, and at most at ten times the value in use of the dwelling house. The most recent provisions in regard to the *Bonitierungstaxen* (1913) greatly favour very small holdings ; the management may, if requested, undertake itself to provide all the material required for the valuation, and may also dispense with some of this material. In the case of holdings not exceeding 100 ha. in area, the net yield from which as calculated for the land tax does not amount to 1,000 mks., it is not necessary to present a list of buildings and live stock, nor a return of the average yield for the last five years.

cording to Area of Holdings.

50 ha.		Between 50 and 100 ha.				Exceeding 100 ha.			
Percentage of				Percentage of				Percentage of	
Total Holdings Mortgaged	Total Amount of Loans	Holdings	Amount of Loans Mks	Total Holdings Mortgaged	Total Amount of Loans	Holdings	Amount of Loans Mks	Total Holdings Mortgaged	Total Amount of Loans
44.5	—	130	—	23.1	—	42	—	7.4	—
45.5	—	434	13,637,100	21.5	—	111	6,379,100	5.5	—
46.9	—	640	—	20.0	—	110	—	3.4	—

The progress of the Schleswig Holstein Landschaft seen in the following tables, has been, especially since 1907, simply enormous, and it must be recognised that the increase in the business in relation to the nobles' estates has been far inferior to that in relation to peasants' holdings. The business in connection with peasants' holdings so preponderates, that this Landschaft, first founded in the exclusive interest of large nobles' estates, has completely altered its character.

In proof of this, it is enough to consider that whilst the average amount of the loans granted in 1904 was 205,000 mks. and in 1907 201,000 mks., it is now 31,000 mks. and if we calculate at 22,000,000 mks. the total amount of loans for nobles' estates, the average for the peasants' estates does not exceed 26,000 marks in round numbers.

TABLE XVI. — *Total Amount of Loans.*

Year	Peasants' Holdings	Nobles' Estates	Total	Amount of Loans
1896.	—	18	18	2,246,150
1901.	—	30	30	5,102,950
1904.	7	75	82	16,886,450
1907.	79	86	165	23,222,100
1909.	343	96	439	32,144,700
1912.	2,388	108	2,496	71,418,850
1914.	3,225	116	3,241	105,041,700

TABLE XVII. — *Distribution of Loans according to Area of Holdings.*

Year	Not Exceeding 20 ha.		Between 20 and 50 ha.		Between 50 and 100 ha.		Exceeding 100 ha.	
	Holdings	Percentage of Total Holdings Mortgaged	Holdings	Percentage of Total Holdings Mortgaged	Holdings	Percentage of Total Holdings Mortgaged	Holdings	Percentage of Total Holdings Mortgaged
1905	1	1	4	4.4	4	4.4	83	90.2
1914	820	25	1,030	32	1,125	35	250	8

§ 12. CONCLUSION.

In the last few decades the Landschaften have assumed the special duty of extending land credit among peasant landowners. A whole order of opinions, formerly prevailing among the Landschaften, have been thoroughly modified; the peasant, it was said, has no need of credit; he is not yet in a position to profit by it, and, apart from this, small holdings, it was affirmed, could not offer the same security as large estates. The managers of the various societies have found that in offering small landowners a credit corresponding to the size of their holdings, they have increased their power of resistance and their yield, to the advantage of the general social economy. The Landschaften have therefore employed all the means at their disposal to provide small holdings with the credit they require, and to bring them into their sphere of action. The following table will show the reader the results obtained. Whilst in 1905, the proportion of holdings mortgaged on the basis of the agricultural valuation, of an area not exceeding 20 ha. and of an area between 20 and 100 ha., was respectively 5.9 % and 21.7 %, the figures have now risen to 8.3 % and 28.3 %; the loans granted have thus increased by 2.4 % and 6.6 % respectively. The holdings mortgaged of area not exceeding 100 ha. since 1905 have increased altogether by 20,000 and from 10.5 % to 14 % of all the holdings, which shows an increase per cent of 3.5, whilst the proportion of those above 100 ha. in area mortgaged has fallen from 65.8 % to 64.1 %, a decrease of 1.7 %.

The spread of agricultural credit in the districts of small holdings has for its first result an improvement in the conditions of the holdings of this class. It must also be considered from the point of view of the formation and encouragement of small holdings and the development of home colonisation. The question of small holdings, with which all agricultural countries are occupying themselves can only be settled by assuring this class of holding, to as large a degree as possible, of loans at small cost, to be repaid only in instalments. Besides this, the extension of the Landschaft credit to peasants is without doubt of more general public importance and is to be included among the problems of small holdings to be solved.

TABLE XVIII. — *Proportion of Holdings Mortgaged to the Total Number the Right of Which to Receive Credit has been Recognised, according to Area, between the Years* 1905 *and* 1912, *or* 1913.

Landschaft	Holdings not Exceeding 20 ha. in area			Holdings between 20 and 100 ha. in area			Holdings Exceeding 100 ha. in area			Year
	Holdings Mortgage-able	Holdings Mortgaged	%	Holdings Mortgage-able	Holdings Mortgaged	%	Holdings Mortgage-able	Holdings Mortgaged	%	
1. East Prussian Landschaft	38,021	2,377	6.3	25,870	9,418	36.4	3,400	2,953	86.8	1905
		3,692	10.3		10,208	39.4		2,823	83.0	1914
2. Silesian Landschaft	94,000	7,570	8.0	16,477	5,583	33.9	2,750	2,327	84.6	1905
		9,370	10.0		6.273	38.1		2,205	80.2	1913
3. New West Prussian Landschaft .	27,378	3,160	11.5	13,715	4,547	33.2	2,000	1,220	61.0	1905
4. New Credit Institute for Brandenburg		4.650	17.0		6,700	48.9		1,155	57.7	1914 +
	41,500	3,591	8.6	23,500	5,694	24.2	2,100	1,430	68.1	1905
		4,008	9.6		6,156	26.2		1,287	61.3	1914
5. New Pomeranian Landschaft . .	30,116	239	0.8	11,973	725	6.1	2,500	1,604	64.2	1905
		308	10.2		883	7.4		1,412	56.5	1914 +
6. Posen Landschaft.	41,125	2,384	5.8	12,658	3,331	16.3	2,020	1,415	70.0	1905
		3,590	8.7		4,835	38.9		1,403	69.5	1913 +
7. Landschaft of the Province of Saxony	42,357	787	1.9	16,477	925	5.6	1,610	348	21.6	1905 +
8. Landschaft of the Province of Westphalia		1,186	2.8		1,523	9.2		557	34.6	1914
	37,746	1,458	3.9	11,836	1.908	16.1	303	204	67.3	1905
		2,175			2.740			199		1913 +
9. Agricultural Credit Association for the Province of Schleswig-Holstein		554	2.4		1,352	6.3		111	10.2	1905
		950	4.1		2,140	9.9		110	10.2	1914 +
	22,997			21,586			1,091			
10. Schleswig Holstein Landschaft .		1	—		8	—		83	7.6	1905 +
		820	3.6		2,155	10.0		250	2.3	1914 +
Total . . .	375,240	22,121	5.9	154,101	33,491	21.7	17,774	11,695	65,8	1905
		30,967	8.3		43,613	28.3		11,401	64.1	1914
				529,341	55,612	10.5				1905
					74,580	14.0				1914

+ Estimated Figures.

COSTA RICA.

GOVERNMENT MEASURES FOR THE DEVELOPMENT OF AGRICULTURAL CREDIT

With a view to meeting the economic crisis in production in the country, the products of which are essentially agricultural, which has been occasioned by the European conflagration, the Government of Costa Rica, after much fruitless negotiation with the members of the financial world there, created, as has been shown in a former number of this Bulletin (1), the International Bank of Costa Rica, and instituted agricultural credit boards in the localities where they were most required. In this way the Government proposed to provide the assistance the exceptional circumstances call for, by means of loans in cash both to the large producers and exporters and the small landowners and farmers.

Official credit once organized in this way, the Government endavoured to encourage its development as far as possible. This was the object of the two Decrees, the principal provisions of which we shall consider below, on *warrants* and agricultural pledge, which complete the general provisions mentioned above, the object of which, as we have said, is to arrest the economic crisis in agriculture occasioned by the war in the old world.

§ 1. The institution of agricultural pledge.

By Decree No. 3 of September 13th., 1915, the Government instituted contracts of agricultural pledge as security for loans in money to farmers.

In accordance with this Decree, the agricultural pledge may consist in the following articles: (*a*) machinery generally, farming implements and such implements as are used in agriculture, the working of forests and factories or in industry; (*b*) livestock of any kind and their produce, as well as moveables serving for the farm work; (*c*) crops of any kind of the

(1) See Article, "*The Influence of the European War on Production and Credit in Costa Rica*", in our Number for September, 1915.

agricultural year in which the contract is established, whether standing crops, or crops already harvested etc.

The objects pledged serve as security to the creditor, who has a special preference right in regard to them up to the amount of the loan, interest, commission and charges according to the conditions of the contract and the provisions of this law.

The debtor will retain possession of the object pledged in the name of the creditor; the possessor of the pledge is bound to preserve it and is responsible for deterioration or damage it may suffer through his. fault or negligence.

The Decree under consideration establishes that the preference rights of the creditor shall last for two years from date of registration of the contract; they burden the insurance claim paid for the object pledged, as well as compensation paid by persons responsible for loss or deterioration of the objects pledged. The agricultural pledge, however, does not affect the preference rights of the landowner for a year's lease due or the amount due to him in money for the use or enjoyment of the object or the farm during the same period, or rent and amounts due previously to the constitution of the pledge, provided the contract under which they are due be a public deed duly registered or presented for registration before the date of registration of the contract of agricultural pledge.

One of the most important provisions of the Decree instituting agricultural pledge in the Republic of Costa Rica is that henceforth mortgages on holdings shall not burden property that may be the object of agricultural pledge as above indicated, nor compensation the mortgager may receive in payment of insurance claims, or for compulsory expropriation or injury to the above articles when pledged. Any clause contrary to this provision shall be null and void.

The agricultural pledge contract shall only have effect for third parties from the moment it is presented for registration in the register of agricultural pledges, pledges on livestock and industrial pledges, which shall be opened in each canton. This contract can be constituted by public or private deed, in which the full name of each of the contracting parties, his status and condition are specified.

The agricultural pledge certificate delivered by the official of the office where it is registered will be transferable by endorsement; all who sign or endorse an agricultural pledge certificate, except the official who makes it out and any witnesses there may be, shall be jointly and severally liable for the obligations it guarantees.

The livestock on which a pledge has been constituted cannot be removed from the farm on which they are at the moment of its constitution, and much less leave the district of the registration office in which the pledge is registered, unless the official of the office has made a note to the effect on the original document and notified the creditor and any endorsers there may be. There is exemption from these restrictions in the case of the livestock serving for the ordinary work of the debtor, specification of which must be made in the pledge contract.

The crops and produce on which an agricultural pledge has been constituted may be sold for cash by the debtor, if ready for sale, provided the price is not below the day's market price, and the amount exceeds the whole sum secured on the crops and produce ; however, if all the crops and produce are sold at the same time, the debtor is bound to pay the creditor the amount of the debt within three days. This term may be extended in reasonable proportion to the distance, but may never exceed 8 days.

The debtor may at any moment relieve himself of the burden on the goods pledged by paying the creditor the amount of the loan, with the interest, commission and accessory charges mentioned in the contract.

Finally, the decree, the principal provisions of which we have indicated, provides that during the term of the contract, the creditor may himself, or by means of an agent or representative authorized by him, examine the condition of the articles pledged or the fields producing them, and if, in his opinion, they run a risk of being damaged or deteriorated through the debtor abandoning them or neglecting them, he may inform the competent authorities. They shall appoint an expert to give his opinion, and, if it agrees with that of the creditor, the debtor may be obliged to supervise the articles pledged properly, or to pay the costs of their supervision.

§ 2. Decree authorizing the issue of warrants by general warehouses..

The Government has recently decreed the institution of three general warehouses at San José, Puntarenas and Limón, reserving the right to found others if it judges necessary.

The warehouses in question, in addition to their general functions, consisting in the acceptance of deposits, and the supervision and preservation of goods, must issue deposit certificates with corresponding warrants.

We shall briefly describe the organization of this new service for the encouragement of credit, intended chiefly for the benefit of the rural population, as Costa Rica is essentially an agricultural country.

The deposit certificates and warrants with which we are concerned may be inscribed or to bearer, as the depositor desires, and will be negotiable and transferable, by way of cession, endorsement and simple gift in either case.

According to the Decree, the endorsement of the deposit certificate or the warrant will have the following effect : (*a*) the endorsement of the two together will transfer the ownership of the produce or goods deposited ; (*b*) the endorsement of the warrant only will pledge the produce to the person to whom it is endorsed; (*c*) the endorsement of the deposit certificate alone will transfer the ownership of the goods deposited, while the rights of the holder of the warrant continue to exist.

A holder of a deposit certificate and not of the warrant may withdraw the goods before the time fixed and payment of the credit secured on them, on delivering to the managers of the warehouse the amount of the credit in question with interest, calculated up to the date fixed, and this amount will be paid in its turn to the holder of the warrant on delivery of his warrant.

The holder of a warrant not paid at date the debt secured by it is due, may have it protested like a bill of exchange and advise the manager of the warehouse, so that he may retain the articles deposited in order to ensure payment of the debt which takes precedence over the depositor's other debts.

Part IV: Miscellaneous

FRANCE.

THE LAW OF JULY 10TH., 1915 ON HOME INDUSTRIES.

OFFICIAL SOURCES:

ENQUÊTE DE L'OFFICE DU TRAVAIL SUR LE TRAVAIL À DOMICILE DANS L'INDUSTRIE DE LA LINGERIE (*Labour Office Enquiry into the Home Manufacture of Underclothing*), 5 Volumes, 8vo. Paris. Imprimerie Nationale; 1907-1911.

LOI DU 10 JUILLET 1915 ET TRAVAUX PRÉPARATOIRES (*Law of July 10th., 1915 and Preparatory Labours*).

CIRCULAIRE DU MINISTRE DU TRAVAIL AUX INSPECTEURS DIVISIONNAIRES DU TRAVAIL, EN DATE DU 24 JUILLET 1915 (*Circular of the Minister of Labour Forwarded to the Divisional Inspectors of Labour, July 24th.*, 1915).

§ 1. MANUFACTURE OF UNDERCLOTHING IN COUNTRY DISTRICTS.

The home manufacture of underclothing carried on by women in the French country districts is of importance on account of the additional amounts in this way added to incomes derived from purely agricultural work. However, it must be acknowledged conditions of the industry have long been seriously criticised. Complaint is made that it is badly paid, that, in order to obtain a trifling profit, the working day has to be very long and the conditions under which the work is done are not healthy. Accordingly, with the object of testing the justice of these strictures, the Labour Office instituted a long enquiry, lasting from 1905 to 1908, in 24 departments, in the course of which 2,300 individuals, manufacturers, dealers, men and women contractors (*entrepreneurs* and *entrepreneuses*), agents (*dépositaires*), and needlewomen working at home, were examined. Let us first of all summarise the results of the enquiry.

This home industry is not independent, but implies a business undertaking concerned with the distribution and remuneration of the work. Such undertakings are most usually conducted by women and the number of these women contractors (*entrepreneuses*) is found to be continually increasing. In such and such a locality, where, some ten years ago, there were three of them, there are now ten ; in the department of Cher, twenty or thirty years ago, the country districts only worked for firms in their neighbourhood ; to day, there is scarcely a village in the region without such a contractor or a depot. Indeed, under the contractor or on an equality with her, and sometimes difficult to distinguish from a contractor, we find, in some districts, (chiefly Cher, Loir-et-Cher, Indre and Sarthe), an agent (*dépositaire*), sometimes engaged by a linen goods manufacturer, a fancy goods warehouse, a shirtmaker or so on, and sometimes by one of the above contractors.

The real agent is a kind of outside superintendent ; she is paid directly by her employer, by the day or by the dozen, in proportion to the quantity produced etc. There are even agents whose work is of such slight importance that they might be more accurately described as first class needlewomen ; for their limited work as agents they receive no special wage ; the employer merely favours them and provides them with work so that they are never unemployed. We could (if there were no danger of laying too much stress on the difference), keep the name of depot manageress (*gérante de dépôt*) for the first group, but, whether we make the distinction or not, it is certain that the industrial situation of the agents varies very considerably and there are many degrees between the depot manageress who has her own office, where the needlewomen come to learn what work they have to do at home, and the agent who divides the parcels of shirts sent to her among three or four neighbours.

But, generally speaking, all the agents have the same duties : they receive a certain amount of work from their employers which they distribute among the local needlewomen, the recruiting of whom constitutes the chief reason for their existence ; sometimes they visit the women working, they always collect the articles when made and keep them at the disposal of the manufacturer or contractor.

Such is, generally, the character of the ordinary agent, at least if the other class of agent of whom we have still to speak developed out of this. When the manufacturer no longer pays the agent at all, if she is generally charged to settle with the women she engages, she pays herself out of the price of the goods and so becomes a contractor ; when this work is done by the contractor, the agent becomes a sub-contractor. Easy as it is to distinguish theoretically between agents on the one hand and contractors or sub-contractors on the other, it is so much the less simple when the title of agent is given to persons who are certainly contractors or sub-contractors and not simple intermediaries. This confusion was felt during the enquiry and it was very often not possible to discover the precise character of the agents.

What might be said to characterise the agents when they act as con-

tractors is that generally they are not so to say professional contractors ; as they are not paid by their employer; they charge the needlewomen they recruit as fair a price as possible for their services; the difference between the prices paid to them and those they themselves pay are generally very slight, and the small amount they keep for themselves gives them a financial position that would seem to be appreciably inferior to that of the real agents.

That they are paid as nearly as possible the value of their services is certain. One of the reasons of their modest charges is the increasing number of agents. We must note this increasing number of agents, as also of principals and contractors at least in the regions where the organization of the depots is habitual. In Indre, Cher and Sarthe, this increase is affirmed by a large number of the persons examined ; in many unimportant villages there are several agents (in one place which has 760 inhabitants there are no less than 6) and, although the trade in underclothing is far from being in a state of crisis, these numerous agents, who compete against each other and take away each others' employees, soon cease to supply their employers with enough goods or with articles produced sufficiently cheaply ; the employers seek for new agents (as they seek for new contractors) in localities or regions to which home industry has not yet penetrated. Under these conditions, competition between the agents assumes such proportions that the depots must realise a very small profit if they continue to exist; and even needlewomen who have undertaken the management have sometimes been obliged to close their depots.

A second reason that may serve to explain the poor remuneration is that generally the women only consider it as an addition to their incomes. Large, indeed, is the number of agents who only engage in the manufacture of linen goods as an auxiliary occupation, and, like may contractors or sub-contractors, as their principal business engage in the sale of various articles.

Of those shopkeepers who manage a linen goods business or depot, and those contractors or sub-contractors or agents who carry on a trade, no attempt has been made to draw up a list, but it was possible to collect sufficiently complete information on the point for a certain number of villages in the districts visited.

First of all, in the department of Cher, in the neighbourhood of Henrichement, there are it seems many shopkeepers who are contractors ; and similarly at Saint-Amand and, above all, in the adjoining country, where many sub-contractors carry on a trade, usually as grocers; at Aubigny one of the two contractors is a grocer. At Graçay and Saint-Outrille one out of six contractors is a shopkeeper, selling cloth; at Châteauneuf, a clothier contracts to get underclothing made, no other contractor is reported; at Lignières, there are some fifteen men and women contractors, half of them being fancy goods dealers or grocers, at Dun-sur-Auron, the proportion is the same, seven in over a dozen; two sell fancy goods, one only cloth, one groceries, haberdashery, cloth and wooden shoes, one coffee, and another sewing machines.

In Allier, it seems from two statements which confirm each other that the number of shopkeeping-contractors is legion.

At Villefranche (Loir-et-Cher), there are some ten contractors. " Almost all the men and women contractors are engaged in the sale of some article. Only one sells nothing at all ; some of the contractors of longer standing carry on only an unimportant business ; this is not the case with the new contractors ; they sell groceries or clothes. "

At Selles-sur-Cher, it appears there are only two fancy goods dealers among some ten contractors ; but, in the adjoining villages, sub-contractors have shops, above all for sale of groceries.

In Indre, all the agents of Méobecq, except one, carry on trade, and at Chabris a large number do.

To sum up, we conclude (though it cannot be absolutely affirmed, as the enquiry has not given all the information it might have on the point) that the contractors or agents engaged in trade are to be found chiefly in the centre of France : Cher, Indre, Loir-et-Cher, Allier and Sarthe, where we may imagine so many agents and small contractors could not live by the linen goods industry alone.

Before the presentation of this review of the districts and localities where there have been found contractors or agents for underclothing who are at the same time shopkeepers, it was understood that those shopkeepers who have taken up the underclothing business, or those contractors and agents who have taken to trade make their chief profits out of their trade. It will not be without its advantage to show, by means of example or by reproducing various statements, the relation these two groups of occupations bear to each other.

A contractor or agent cannot live without carrying on a small trade ; such is the statement incessantly repeated in certain regions ; or, more truly, the underclothing business or depot is expected to enable the trade to live or prosper.

" It is, " says a fancy goods dealer who is an underclothing contractor, " the underclothing business which enables the small dealer to maintain himself, for it is by means of the work he himself distributes in the country he assures himself of the continued support of a certain *clientèle.* "

Another fancy goods dealer, formerly an underclothing contractor, gave more precise information. According to him, if a dealer who is also a contractor is to find his profit in getting underclothing made, the needlewomen he employs must agree to spend at least half their earnings at his shop ; this is often arranged, it appears ; and many firms, in the departments of Cher and Indre make large profits in this way ; one of them only gains 2,000 frs. on 30,000 frs. worth of underclothing it gets made a year, but its other business, is greatly extended on account of its underclothing business, " for the needlewomen are, so to say, obliged to get their supplies from the contractor shopkeepers and it generally happens that they, taking advantage of the situation, raise their prices. "

An underclothing contractor of Villefranche-sur-Cher who, at least

according to her own account, does a very small trade, declares to the same effect:

"Two new contractors are at the same time pedlars: they go from village to village distributing work and selling groceries and haberdashery. The needlewomen go to the contractors who sell goods to them. They are above all attracted to those who sell articles that tempt their vanity. To attract the needlewomen, the dealers slightly raise their piece prices, and so ruin the other contractors. The dealers themselves cannot gain much out of underclothing; but as they arrange that the money made by the needlewomen is only spent with them, they increase their custom in this way and so get their own money back."

We may reproduce the following lines relating to an agent of Méobecq (Indre), to the same effect: "This sub-contractor, like most of her fellows in the country, only manages an underclothing depot, as an accessory to her principal business and in order to gain custom; the women she gives work to prefer to supply themselves from her shop in return. The underclothing business scarcely brings her in anything; she deducts 10 %, but only receives from 230 to 300 francs worth of work a month." Her gross profit as sub-contractor would then only be from 25 to 30 frs. a month. It may be understood (though the figures cannot be given) how trifling her net profit must be.

Sometimes this combination of linen manufacture and trade gives no profits but results in a loss. The customers attracted by the offer of work take goods out of proportion to their gains, and to give them credit is to lose. On the other hand in addition to the expenses the employer must support, many inconveniences to which he is exposed by the needlewomen which make his trade difficult, his responsibility etc., have to be considered, so that if the women do not take enough of his goods, or rather if he is unable to make them spend a certain part of the money he pays them in purchases from him, the business is not successful and he has to stop it.

Thus, payment in kind is the more or less necessary consequence of a contractor or agent engaging in trade.

§ 2. Provisions of the law of July 10th., 1915.

However crying this abuse is, it is of slight importance in comparison with those arising out of home industry in the towns, where the needlewomen no longer consider it as accessory labour, but regard it as their principal business. The excessively long hours, and the extremely low wages have long called for legislative intervention. This intervention, long discussed and studied, took form in the law of July 10th., 1915, by which the country needlewomen will also benefit. Its object is to ensure a minimum wage for women occupied at home in the underclothing business, who are too often quite insufficiently remunerated. Although it very opportunely corresponds with the development of home manufactures

(overcoats, trousers, shirts, underdrawers, tents, etc.), during the war for the benefit of the soldiers it is not a law passed to meet the circumstances of the moment. It originated in the numerous complaints, and numerous enquiries, which, in the course of many years, have revealed the decrease in the wages of needlewomen working at home. The matter has been under consideration for many years.

To understand the limits of the application of the law, we must consider on the one hand the persons and on the other the articles to which it applies.

With regard to the persons, the law only contemplates needlewomen working at home. It leaves out of consideration men working at home and employees in workshops. However, once the minimum wage is fixed for needlewomen working at home, men working at home in the same industry and doing the same work, who receive wages less than this minimum, may sue their employers before boards of arbitration or magistrates for payment of the difference (art. 33*m*). The civil action of associations contemplated in article 33*k* may also lie in this case.

The law does not define home industry, but the Circular of the Minister of Labour of July 24th., 1915 gives, for purposes of indication, certain characteristics of paid home labour.

The work is done to the order either of a manufacturing or commercial establishment, or of an intermediary. It is performed in a building either serving as dwelling house or as an outhouse, by a finishing hand who works either alone or with the assistance of the members of his or her family or even with that of other workers. Most usually the material is supplied by the establishments or the intermediaries, except in the case of additional supplies being purchased by the finisher.

The workers at home thus defined are distinguished from small artisans also working at home, but directly for customers and in reality small principals.

No distinction as to nationality is made in the law, which protects equally all men or women working at home in France, whether they are French or foreigners. M. Berthod, the first to report on the law to the Chamber of Deputies, expressly states this in his report.

The law again does not contemplate all home work; it applies only to the " manufacture of clothes, hats, boots and shoes, underclothing of every kind, embroidery, lace, feathers, artificial flowers and any other work coming under the head of clothing industry " (art. 33).

In addition to the objects mentioned above, we find from the preparatory labours that the law only intended to include under the name of clothing industry the manufacture of clothes properly so called. Especially it does not include under this head, manufacture of jewels and rosaries or ribbon making. Still, article 33*m* makes it possible to extend the law so as to apply to other industries not expressly contemplated in article 33. This extension may be made by Government Regulations on the suggestion of the Superior Council of Labour.

The provisions of the law may be summarised as follows:

I. — By means of a special procedure, a minimum rate of pay is established and published;

II. — The contractors must pay their needlewomen at a rate at least equal to the minimum so fixed, failing which, adjustment of the wages may be obtained by means of a civil suit;

III. — To facilitate comparison between the minimum rate established and that paid by the contractor, the latter must go through certain formalities, and non-observance of this provision makes him liable to be punished by the law.

The law contemplates three kinds of minimum wage or scales which it is advisable clearly to distinguish in order to facilitate the understanding of what follows:

1st. A minimum *time* wage fixed by the labour council or the departmental wages committee;

2nd. A minimum *piece* wage, for articles manufactured in series, established by the board of labour or the professional experts' committee

3rd. Piece prices, fixed by the contractor, which must be entered by him on the tickets or in the book he sends the needlewomen and in certain cases he must have posted publicly.

All these wages or rates are of course independent of any provision of material. This is evident, by definition, in the case of the time minimum (art 33*e*); it is equally true for the piece wage or rate fixed by the committee of experts, since by definition it must permit of the minimum net payment per hour for the time required for making the piece (art. 33*g*).

The same holds good in the case of piece prices fixed by the contractor and posted by him (art 33*b*) or entered in the passbooks (art. 33*c*). This is seen in the last phrase of the first paragraph of article 33*c*: " The net piece prices may not be lower for the same articles than the prices publicly posted in accordance with the foregoing article. "

§ 3. Organizations charged to fix the minimum wages.

It is to the boards of labour, in the first instance, the law entrusts the care of establishing the minimum wages (art. 33*e*) as well as the time necessary for the manufacture of the articles (art. 33*g*).

The labour boards in question are the advisory labour boards contemplated in the law of July 17th., 1908. As these boards are still very few and none of them has been created for the professions contemplated in the law with which we are concerned, it is at present necessary to have recourse to the foundation of the wages committees and professional committees of experts, by which according to the law they may be substituted.

Wages Committees. — Article 33*f* of the law regulates the formation of these committees.

It is for the prefects to arrange for their creation. They must first establish the number of men and women employees and of employers who should compose the committee, taking into consideration the importance of the interests at stake and after consulting on the matter with the labour inspection department and competent persons belonging to the professional group concerned.

The number of members of each class may vary from two to four and must be the same for both classes.

They must then cause the members to be nominated. Two cases will present themselves :

(*a*) If there are arbitration boards having jurisdiction in the department, the prefect must invite the presidents and vice presidents of the sections of these boards to nominate the employers and employees to sit on the committee. The law has not stated how this nomination is to be made. By analogy with article 33*g*, which contemplates a meeting of presidents and vice presidents of sections of the arbitration boards to designate members of local committees of experts, the Minister of Labour judges that it is best to follow the same procedure in the appointment of the members of the departmental wages committee. It is, besides, easier to obtain the agreement desired by the law in such a meeting, than when the parties concerned are consulted separately.

It may be admitted that the agreement is attained in the case of a candidate who has the majority of the votes of the arbiters who are masters and of those who are employees.

The candidates elected must be engaged in the industries contemplated in the law under consideration, that is to say, until paragraph 2 of article 33*m* comes into force, in clothing manufacture. It is the only condition necessary for election. It is not absolutely necessary that the employers appointed should give out work to be done at home, nor that the employees should belong to the class of household workers ; it is enough that both be engaged in the above industries. It is, however, recognised as desirable that the choice should fall on persons belonging to the special industries the work of which is in question. It is also recognised as desirable as far as it is possible, in order to facilitate the work and limit the expenditure, that those persons should be in preference chosen who live in the town in which the sittings of the committee are held.

(*b*) In the absence of arbitration boards, or if the presidents and vice-presidents have been unable to agree, the prefect must advise the president of the civil court of the chief town of the department and beg him to designate the members.

If in the meetings of presidents and vice-presidents persons not belonging to the clothing industry have been designated ; or if, generally, less than all the employers or employees than are required for the committee have been designated, the president of the civil court must likewise complete the list and supply the missing names, as in the case of no agreement being come to.

The law has not expressly fixed the term of office of the members of the committee. But as the minimum wage must be revised, according to article 33*e*, at least every three years, the circular of the Minister of Labour prescribes that as a rule the committees shall be appointed every three years. This period is also that fixed by the law in the case of the councillor to the court of cassation charged to preside over the central committee that shall judge in the last resort (art. 33*f*.). Let us add that there is nothing to prevent the members of the departmental committees being reappointed at the end of each three years.

The presidency of the departmental wages committee is assigned by the law to the magistrate or the senior magistrate in office in the chief town of the department. Therefore he must see that the business is properly conducted.

A decree of the prefects informs those concerned of the institution of the departmental wages committee and its composition. It establishes the term for which the members are appointed and from what date and indicates, it need be, the measures taken to facilitate its mission. A later decree publishes the result of the nomination of members regularly made, giving the names.

Professional Committees of Experts. — In the absence of labour boards, that is to say in most cases, the prefects will have to institute in each department one or more committees, called *professional committees of experts.* (art. 33 *g*).

The prefects must decide in what centres and for what professions such committees must be formed and fix the limits of their jurisdiction. They must consult persons qualified to represent the professions, and the professional groups concerned ; they must also consult the wages committee and the labour inspector. On account of their technical mission, these committees of experts may be as numerous as there are clearly distinguished clothing industries carried on in the district.

In appointing the members of the professional committees, the prefects shall follow the procedure indicated above for the departmental wages committees. One difference, however, is to be noted. When there are no arbitration boards in the department or if the employer and employee presidents have not been able to agree, it is the prefect who must appoint the members of the committee of experts. For the purpose the departmental wages committee must be consulted.

The remarks made in the case of the departmental wages committees in regard to professional speciality and residence are in this case even more insisted on, and, in respect to residence, it is easier to conform to them.

Central Commission. — In order to decide in the last resort in regard to protests against the decisions of the labour councils, wages committees and committees of experts, a central commission is established at the Department of Labour.

This commission must include, for each case dealt with, two members (an employer and an employee) of the labour council or the departmental committee that has fixed the minimum wage.

§ 4. Working of the committees.

The meetings of the departmental wages committee and the professional committees of experts are called by the magistrate, who is president and fixes the agenda. The Government must not intervene in their labours. It must, however, facilitate their work, as far as possible, providing them with the offices, documents, and the office furniture required. At their desire it shall place, as far as is possible, an employee at their disposal to expedite the work of the secretariat. Among the documents to be communicated to the committees are, in the first place, the memoranda attached, by virtue of the decree of August 10th., 1899, to the contracts of purchase made by the State, the Departments, the Communes, and the public charity establishments. A very large number of these memoranda have just recently been drawn up for the supply of clothes and underclothing to the army. The committees will find in them abundant recent data, which will greatly facilitate their work.

Establishment of the Minimum Wage. — The labour boards or wages committees, for which article 33 makes provision, must first establish the rate of daily wages habitually paid, in accordance with which the minimum wage is to be fixed.

Article 33*c* indicates the rules to be followed in the matter:

(1) When the home industry is found in the district competing with similar work in workshops, the daily rate of wage established will be that habitually paid in the workshops to needlewomen of the same profession and of average skill in performing the various kinds of work of their profession. In regard to the average habitual skill, which had to be ascertained, M. Berthod, who reported on the proposed law to the Chamber of Deputies, quoted by M. Morel, who reported to the Senate, says: " Of course the wages contemplated must be the wages of the needlewoman who has no special qualifications giving claim to remuneration at a high rate, but is the ordinary needlewoman, who usually performs the various kinds of professional work. "

(2) When the home industry has no competitors in the district, but we find in the district or in similar districts workshops in which needlewomen do similar work, the rate of the daily wage of these women must be ascertained.

(3) Finally, when there is no workshop where work connected with the clothing industry or similar work is done, either in the district under consideration or in similar districts, a case which, in view of the very large and comprehensive sense of the expressions " similar work " and " similar districts, " will doubtless be rare, the rate of wages habitually paid to the women working by the day in the district must be ascertained.

In the terms of M. Jean Morel's report, "' the woman working by the day taken here as the type is the unspecialised workwoman, who goes out

by the day to do various work in other people's houses : whether household work, sewing, washing or other work of similar character."

Establishment of the Minimum Wage. — It is in accordance with the rate of wages thus ascertained that the labour boards or wages committees fix the minimum contemplated in article 33*d*, that is to say the amount that piece prices must enable a woman of average skill working at home to earn in ten hours. The minimum wage thus fixed is thus a *time* wage ; it must be fixed per hour, or per day of ten hours.

The last paragraph of article 33*c* orders the labour boards or wages committees to proceed every three years to revise the minimum hourly wage.

Establishment of the Piece Price of Articles Manufactured in Series. — The committees of experts instituted by article 33*g* are called to draw up, as accurately as possible, a table of the time required for the manufacture of goods in series, for the various articles and the various classes of workwomen, in the professions or districts coming within their province. In the intention of the law, for the purpose the work of a needlewoman of average ability must be observed in the workroom.

It must be observed that the action of the committees in selecting the articles to be shown in the table is not limited by the action of the Government. The arbitration boards and professional unions concerned have an equal right to address themselves to them. The committees may further, *ex officio*, enter the articles for which it seems to them especially advisable to fix the rates.

Once this table has been prepared, it is for the committee of experts, in order to establish the minimum wages and rates especially contemplated in article 33*h*, to calculate the amount of the minimum wage multiplied by the number of hours and fractions of hours shown in the table. The scale of rates must give in the case of each article three items of information : wage per hour, time required, net price per piece calculated from the two first.

Publication of Wages. — Article 33*h* entrusts the prefects with the care of ensuring the publication of the minimum wages and all piece wages or scales of rates ascertained or established by the labour boards and special committees. The law only provides for publication in the Collection of Departmental Administrative Acts. But it is the Government Regulations contemplated in the last paragraph of article 33*h* which shall exactly fix the conditions of such publication. It must be as complete and as speedy as possible, in order that all concerned may be informed in proper time.

Appeal against the Decisions of the Committees. — Article 33*h* provides for appeal against the decisions of the labour boards, wages committees or committees of experts, ascertaining or establishing wages or scales of rates ; such appeal may be made to the Central Committee at the Labour Office, the decision of which shall be final.

The Minister of Labour has to receive these protests and forward those to the Commission that are in order. The Government itself has a right to protest against manifestly erroneous conclusions of the commit-

tees and differences in their valuations of a kind to misrepresent the conditions of competition between different districts etc.

The wages and scales of rates fixed by decision of the Central Commission shall be given the same publicity as those ascertained or established by the Wages Committees or Committees of Experts.

§ 5. Adjustment of salaries.

The fact that an employer does not respect the regulations in regard to the minima established by the committees does not render him liable to criminal prosecution ; it only exposes him to two different civil actions, which may be independent of each other, on the part of the employees injured and the associations authorized for the purpose, by decree issued on the proposal of the Minister of Labour.

§ 6. Formalities with which the contractors must comply.

With the object of making it easy to ascertain the wages really paid by the contractors to the workwomen, the law imposes on the former certain obligations enumerated in articles 33*a*, 33*b*, and 33*c* under penalities laid down in article 99*a*.

In terms of article 33*a*, any manufacturer, commission agent or intermediary, who orders any of the work contemplated in article 33*a* to be done at home, must inform the inspector of labour in whose section is the head quarters of the business. The inspector acknowledges receipt of the information to the persons above mentioned.

The registers contemplated in the same article show the names and addresses of the women engaged in home work, by each manufacturer, commission agent or intermediary. Their form is not fixed in the regulations, but they are registers, that is they are bound, and do not consist of loose sheets. This point is essential for the purpose of checking the entries.

The piece prices paid for articles manufactured in series, which the employer (manufacturer. commission agent or intermediary) must publish, are, as has been shown above, the net piece prices, after deduction of the value of the material supplied to the workwomen. It is indeed necessary that it should be so for the sake of comparison with the net minimum prices fixed by the committees.

But it will be understood that, for the convenience of industrial business, the employers publish the gross piece prices, showing the amounts to be paid by them, and, by the side of these, with indication of the

material supplied to the needlewoman, the net piece prices resulting after deduction of the value of the material.

In regard to the counterfoil pass books delivered to the workwomen, the text of article 33*c* requires: the entry in them of the gross piece prices, the value of the material supplied and the net piece prices. The provisions of the law, however, are satisfied if the two first entries are distinctly made.

All these formalities and checks are necessary in order that the needlewoman may calculate her net wages, compare them with the minimum she has a right to, and, if need be, enforce her rights by means of a civil suit and also to permit of the associations concerned taking action ; that is why the law secures their observance under penalty.

The law attaches great importance to the measures for the organization of the publication of wages. We have already spoken of the publicity contemplated in the case of wages and scales of rates ascertained or established by the committees. The publication of the contractors' and intermediaries' scales, that is to say, the posting of them in certain places laid down in article 33*b* is also of great importance. Not only does it facilitate comparison with the minima, but when the committees' scales do not include the same articles, the contractor will hesitate to post rates that are clearly too low; the prices posted will generally be the ordinary prices.

Exception has been taken to the obligation of the posting of series prices by the employer when the goods are delivered and collected at the workwoman's private residence. It was scarcely possible to order posting by the employer at the needlewoman's home. In this case the protection provided by the law evidently is reduced. It is for the labour inspectors to watch with so much the more care that the other provisions for supervision are complied with.

§ 7. Rôle of the labour inspectors.

The labour inspectors are bound to see that the contractors comply with the formalities laid down in their case.

They have for their purpose means of control and powers they possess both by virtue of the new law and of the articles 105-107 of Book II of the Labour Code by which their general powers are regulated. They have the right of entrance in the offices of the home industry contractors, where the women wait, and in those where the material is consigned and the goods delivered after completion ; they may claim to see the counterfoils of the tickets and the regular registers in which the entries on the tickets or in the passbooks delivered to the women must be accurately reproduced; finally, the reports they forward in proof of non-compliance with the legal provisions are accepted as evidence until proof to the contrary.

They must not wait to be complained to before exercising their supervision. Informed by means of the notice mentioned in article 33*a* of the names and addresses of the persons working at home, they must visit them to assure themselves that the provisions for the registration of needlewo-

men, the posting of the piece prices and the entries on the tickets, in the passbooks and registers as laid down in the law are complied with. They shall satisfy themselves that the net piece prices resulting from these entries are not inferior to those posted by the manufacturers, commission agents or intermediaries. They must, at the houses of a certain number of the needlewomen, satisfy themselves that the entries on the tickets and in the pass books delivered to the workwomen agree with those on the counterfoils and in the registers kept by the contractor. Their work of supervision is not ended when this agreement has been established; they must endeavour to assure themselves of the truth of these entries. If they discover inaccurate statements on the ticket or in the notebook in regard especially to the amount of work, the price per piece, the value and the kind of material left with the workwoman etc., they must prepare a report. However, before preparing their report they must explain to those concerned their duties, and, in the first few months, the reports shall only mention specially serious abuses and dishonest contraventions.

The strict duty of the labour inspectors is terminated when they have examined into the observance of the rules laid down for contractors for household industry. The text of the law does not charge them to see if the contractors respect the rules in regard to the minimum rates. Whilst variation from the prices posted which the employers promise, and disagreement with the counterfoil books consigned to the workwomen is considered as a kind of fraud entailing legal penalties, the law has made the non-payment of the minimum rate a matter for civil action to be brought by the injured party. It would be, however, interpreting the law after too narrow a fashion to limit the rôle of the labour inspectors to that of reporting agents. By means of the various formalities, the compliance with which the law enjoins on them to check, it has given them a practical means of comparing the prices actually paid with the minima prices. They will be led by force of circumstances to make this comparison and, in case of abuse, to remind the employers officially that they are acting irregularly and laying themselves open to legal action.

There is also one case in which the conclusions of the inspectors may have results at least of importance for administrations; namely, when the contractors are carrying out the orders of the Government, the departments, communes or public establishments. In that case, the labour inspectors must inform the Government of any infringements of the law they discover, so that it may inflict due punishment upon the contractors.

Finally, the labour inspectors must, if requested, assist the prefects and wages committees and committees of experts in the application of the other provisions of the law and especially the establishment of minimum wages. Their general experience in regard to work and the abundant information they have collected in recent times in regard to the wages habitually paid to women working at home in their districts will enable them to give reliable information to the prefects and committees asking for their collaboration.

GREAT BRITAIN AND IRELAND.

PROPOSALS FOR LAND REFORM IN WALES.

SOURCES:

WELSH LAND: RURAL. The Report of the Welsh Land Enquiry Committee. Hodder & Stoughton, London, 1914.

INTRODUCTION

In previous numbers of the *Bulletin* (1) we have reviewed the reports on rural conditions in England and Scotland, drawn up by the Land Enquiry Committees appointed by the Liberal Parliamentary Party. We will now examine the similar report for Wales drawn up by the sub-committee, under the chairmanship of Sir Alfred Mond, M. P., appointed in 1913 by a resolution of the Welsh Liberal Parliamentary Party to enquire into the conditions of land-tenure, housing, and agriculture in Wales.

One of the main sources of information drawn upon by the Committee was the Report, published in 1896, by the Royal Commission on Land in Wales, but besides availing itself of this monumental work and of the data scattered throughout numerous official publications, the Committee received a number of replies from informants and direct investigations were made by qualified persons. The report is drawn up in an impartial spirit, but, as we have reminded the reader in the case of those on England and Scotland already reviewed, it is the work of men belonging exclusively to one political party.

§ 1. INSECURITY OF TENURE.

As in the case of the similar reports for England and Scotland, the Committee considers that in Wales also insecurity of tenure is the main grievance of the farmer. The system of holding land on leasehold which formerly prevailed is now almost extinct in the Principality.

(1) Proposals for Land Reform in England and Wales. *Bulletin of Economic and Social Intelligence*, June, 1914. Proposals for Land Reform in Scotland. *Bulletin of Economic and Social Intelligence*, September, 1914.

The great bulk of the farmers occupy their holdings under yearly tenancies, terminable on six months notice. Thus there is great insecurity of tenure, accentuated by the large number of sales of estates which have taken place in recent years (in Wales and Monmouthshire about 30,000 acres of agricultural land changed ownership in 1912).

Under this system a tenant farmer is liable at any moment to find that the farm he rents has changed hands, and if he elects to remain on under the new landlord he is likely to be rented on the improvements he has executed without receiving any compensation for the same. If, to avoid dispossession, he decides to buy, he may be induced to bid up to a high price to retain his home, and the purchase price is often increased in consideration of the value of his own improvements. Thus insecurity of tenure prevents the farmer from improving the land as he otherwise would; it leaves him open to an arbitrary demand for higher rents; it denies him security for credit; and it forces him to employ less labour and consequently to increase the ever growing migration to the towns.

It is claimed that as a result agriculture is in a very backward state in Wales, the yield of the crops being considerably less than in England and Scotland.

One of the results of insecurity of tenure is to render ineffective much of the legislation enacted for the protection of the tenant farmer. For instance, in spite of the Act passed in 1908 entitling him to compensation for damage from game, the tenant farmer is seldom if ever fully compensated for such loss because he is generally afraid to enforce his legal rights.

§ 2. Failure of existing legislation.

Theoretically the Agricultural Holdings Act of 1908 has put the tenant farmer in a better position. On paper he gets: (*a*) compensation for improvements; (*b*) compensation for unreasonable disturbance; (*c*) compensation for damage done by game; (*d*) extension of notice to quit to twelve months; (*e*) a record of the state of the holding at the commencement of the tenancy; (*f*) freedom of cropping and freedom to dispose of the produce as he thinks fit, always provided that in the exercise of these statutory rights he does not injure or deteriorate the holding.

Yet, notwithstanding every provision in the act, nothing has been done to deprive the landowner of the power to remove a tenant without giving any reason for his action; nor is there any provision to protect the sitting tenant against being compelled to pay an increased rental on his own improvements. If he wants to get compensation for such improvements the only way is for him to quit his farm.

To summarise, existing legislation does not provide adequate security of tenure for the tenant farmer. It does not protect him against having to pay increased rent on his own improvements. It does not provide machinery by which a fair rent can be fixed impartially. It does not provide com-

pensation for improvements or for unreasonable disturbance, or for disturbance in case of the sale of the holding.

§ 3. The proposed remedy.

In considering purchase as a possible remedy for this condition the results of the evidence submitted to the Committee may be summarised as follows:

(1) There is no evidence of a general desire or organised movement in favour of purchasing holdings under conditions at present existing.

(2) The Welsh farmers show a strong desire to purchase their holdings when put up for sale.

(3) The desire to purchase only arises as an alternative to being turned out of the holding.

(4) The majority of Welsh farmers are without the capital necessary to pay the purchase price.

On this question of purchase the Report states: "Having regard to the economic condition of the Welsh tenant farmer we would hesitate very much to advocate a general scheme of purchase which would result in a further decrease of the capital available for working the farm..... It is a common observation that tenants who have purchased without capital have taken too great a burden on themselves and are worse off than they were when tenants of large estates".

The remedy which commends itself to the Committee is that a tenant farmer be given absolute fixity of tenure with an independant tribunal or land-court to settle the following points, failing agreement between landlord and tenant: (1) amount of rent; (2) valuation of improvements made by the tenant; (3) whether the landlord has provided the proper equipment for the holding; (4) compensation for damage done by game including rabbits; (5) grounds on which a tenant may be ejected; (6) claims by landlord or tenant at the expiration of the tenancy.

Precedents for the establishment of such a land-court are afforded by the Irish Land Commission and the Scottish Land-Court.

§ 4. Occupying owners.

This class, although numerically small as compared to tenants, is of especial importance in Wales, where, much more than in England or Scotland, tenants incline to purchase their farms. This tendency is due to the insecurity of tenure and consequent fear of eviction from their old homes. The evidence given before the Royal Commission on Land in Wales showed that the condition of these small freeholders was in the majority of cases precarious, mainly because they had to purchase their hold-

ings to save their homes at a price which was often extravagant. Having little or no capital they have had to find the money on mortgage, for which they have had to pay heavy legal costs and a high rate of interest. Moreover, the mortgages are frequently called in, entailing further legal costs in obtaining a fresh mortgage and a transfer of the old one. There is, however, an undoubted consensus of opinion that farming is better done by the freeholder than by the tenant ; and many of the small occupying owners have tided over their difficulties and are now doing well.

The great majority of freeholders in Wales are of very recent origin. The statistical data for 1894 showed that the proportion of land thus occupied in Wales was 11.8 per cent. as compared to 14.9 per cent. in England and 12.4 per cent. in Scotland, while in 1912 it had declined to 9.91 per cent. in Wales and to 10.9 per cent. in England. As a rule the capital for the purchase of these farms is provided by a mortgage given on the farm itself, and the Committee reports that the usual rate of interest ranges from 3 $^{3}/_{4}$ to 4 per cent. This is considered too heavy a burden on the farm, and moreover the constant calling in of mortgages, which must exist when the mortgagee is a private individual, involves heavy costs which often compel the freeholder to sell out his holding. The remedy usually suggested is some form of State loan. A large number of witnesses before the Welsh Land Commission recommended the Government to advance money on mortgage at a low rate of interest, to include an amortisation fund.

The Welsh Land Commission itself recommended advances not to exceed £. 3,000 on farms of not more than 150 acres, purchased since January, 1868 ; such advances not to exceed three-fourths of the present value of the land, at a rate of interest of 2 $^{3}/_{4}$ per cent. per annum, plus $^{1}/_{4}$ per cent. for management expenses and fire insurance. The mortgage to be redeemable at choice in 30, 40 or 60 years, with provision enabling the borrower to repay the whole or any part of the loan at any time with the prescribed notice, a sum of five million sterling to be devoted for this purpose.

§ 5. Rural depopulation and the agricultural labourer.

The census statistics show that since 1841 the rural population of Wales has steadily declined, though in the last few years there seem to be indications of an arrest in the rural exodus. One of the main causes of depopulation has been the change from arable farming to pasture ; and of late years it is to be found in the higher wages offered in the towns and colliery districts. Inadequate housing and a dearth of cottages are also given as contributary causes.

In considering the status of the agricultural labourer the Committee points out that in Wales no hard and fast line can be drawn between the labouring and the farming classes, which merge into each other, while the smallness of the farms prevents the specialisation of labour. The avail-

able supply of agricultural labour is constantly declining, having fallen from 72,745 in 1851 to 43,818 in 1891 and to 38,492 in 1911. This has led to the employment of much inefficient labour provided by boys whom the farmers take from the industrial schools of England and this in turn accounts in part for the backward condition of Welsh agriculture. Low wages, insufficient and defective cottages, lack of prospects and opportunity for improvement are given in the Report as the main reasons for this falling off in the labour supply.

The following table from the census returns for 1911 shows the current rates of wages.

Earnings	N° of Labourers of 20 years of age and upwards	Percentage of total
18*s.* and under 19*s.* per week.	7,497	27.4
14*s.* and under £ 1 per week	11,801	43.2
£ 1 and over per week	8,040	29.4
Total	27,338	100.0

A similar table for England shows that over 60 per cent. of all agricultural labourers in that country are in receipt of less than 18*s.* a week. Thus it will be seen that the wages question is much graver in England than in Wales.

The Report considers that there is every probability that economic causes, the increased prosperity of agriculture, improved conditions of tenure, and combined action on the part of the labourers, will tend to raise the general level of wages in Wales. Still, there will remain a residuum of agricultural labour unaffected immediately by these causes, and it is to this residuum that statesmen will have to turn their attention. Cabinet Ministers in 1913, when outlining the future policy of the then Liberal government with regard to land reform, spoke of the need of establishing a « minimum wage » for the farm labourer ; and the same policy was then advocated by a group of Unionist members of Parliament in a pamphlet entitled "A Unionist Agricultural Policy", as well as by the Parliamentary Labour Party. These proposals which applied equally to Wales and to England, were set forth in the article on the Report of the Land Enquiry Committee for England in the *Bulletin* of June 1914.

The Report we are now considering expresses the opinion that such a minimum wage would do little to stem the tide of rural migration in Wales, and places more reliance on a policy of better housing and greater facilities for the labourer to secure land for himself.

§ 6. Small holdings.

The annual Reports of the Board of Agriculture show that the Welsh County Councils have been far less active than the English in providing small holdings under the Act of 1908, fully described in the *Bulletin* for March, 1911.

The total number of holdings held in Wales and Monmouthshire under the Act, as given in the report of the Board of Agriculture for 1913, is 801, an average of 61 for each county as compared to 205 for each county in England. Only 7 of these holdings have been sold to the occupiers, showing that very little use has been made of the purchase provisions of the Act.

Enquiries made by the Committee showed that the failure of the Act to do what was expected of it in satisfying the demand of the labourer for land is largely attributable to the difficulty experienced in buying or renting land at a reasonable price for small holdings, owing to the hostility of the landlords and large farmers. The difficulty is increased by the fact that most of the applicants desire holdings in the immediate neighbourhood of their homes.

As a remedy to these drawbacks the Committee suggests that the value of land compulsorily acquired under the Act should be settled by a Land-Court and that the basis of compensation should be the price which might be expected if the property were sold at the time, in its then condition, in the open market, by a willing seller.

§ 7. Co-operation.

An important chapter of the Report is devoted to the subject of co-operation. As a country of small farmers and of mixed farming Wales offers a splendid field for co-operation, yet the movement initiated there in 1902 in still in its infancy.

The few co-operative societies confine themselves to the comparatively easy business of buying farm requisites. They make no effort to market farm products, though it is in collecting, grading, transporting, and selling produce that the farmer has most to lose, and loses most.

The following figures from the summary for 1912 (the latest available on agricultural co-operative societies registered under the Industrial and Provident Societies Acts) show how undeveloped is this all-important phase of co-operation.

Societies for purchase of requirements	54
Egg, poultry, dairy and other distributing societies . .	5

The estimated membership of the Welsh co-operative societies in 1911 was 31,021, and their estimated aggregate turn over £. 1,133,083. This is only a fraction of the business which they should do if the movement were once properly developed.

The Report concludes that the two main obstacles in the way of co-operation in Wales are lack of education in co-operative methods and the prevalence of the credit system of purchase.

Enquiries made by the Committee showed that the establishment of a rational system of co-operative credit to enable the farmers to meet their liabilities promptly would be a most useful step toward improving agricultural conditions and promoting the development of co-operative buying and selling.

The pressing need is to free the farmer from the shackles of the credit system ; for until that is done he cannot, much as he may wish it, take full advantage of co-operation.

The Report points out that on January 1st, 1913, there were 16,927 sound, flourishing co-operative credit societies in the German Empire. On the same date Wales had none of any importance, and in their stead had the money-lender, the bank charging not less than 5 per cent., the credit auction with inflated prices, and credit from shop-keepers, auctioneers, cattle-dealers, etc. on terms that often compelled the farmer to sell only to the creditor.

Continuing under this head, the Committee points out that the fostering and extension of co-operation and the provision of credit facilities are two vastly important factors in any scheme of land reform, and confidently recommends the establishment of State Land Banks on the model of those which have been tried with conspicuous success in Australia. It must not be thought that the Committee, in recommending such banks, is hostile to co-operative credit associations. On the contrary, it heartily endorses Mr. Robert Mond's recommendations that the formation of co-operative credit banks be assisted by making debts owing to such associations a first charge on the property involved, by providing small sums towards the expense of establishing Credit Associations, by encouraging the investment of certain State funds, such as Savings Bank funds in such societies, and by the provision of free audit.

§ 8. Conclusions and recommendations.

As the result of its investigations the Committee concludes that agriculture in Wales is in a backward condition, due largely to insecurity of tenure which makes farmers reluctant to spend money in improving their holdings and renders it difficult for them to obtain credit.

High rents, apprehension of increased rent on the tenant's improvements, onerous conditions of tenancy agreements, all tend to depress agriculture.

The Committee considers that nothing short of absolute security of tenure, subject to certain reservations, will meet the needs of the case.

Proposals for State aided purchase of holdings have been brought forward, but the Committee deems that before such proposals are discussed the immediate necessity of the tenant farmer is security of tenure, so that he may freely put his best into the cultivation of the soil without hampering himself by locking up his capital in the ownership of raw material.

To ensure such security of tenure the Committee recommends that provisions similar to those of the Small Landholders (Scotland) Act be embodied in a Land Act for Wales. This would ensure the establishment of a Land-Court to which the Committee advocates that the following powers be entrusted in the absence of agreement between landlord and tenant:

(*a*) to determine the conditions of tenancy including the period of renwal ; (*b*) to fix an equitable rent ; (*c*) to decide whether the landlord has reasonable grounds of objection to the tenant ; (*d*) to value the tenant's improvements ; (*e*) to determine the amount of compensation for damage done by game ; (*f*) to determine whether the landlord has failed to provide and maintain buildings, etc. ; (*g*) to decide whether the landlord may resume possession of the holding for non-fulfilment by the tenant of the covenants in the tenancy agreement or for purposes to be defined in a Land Act.

As to the question of administration, the Committee is of opinion that Welsh agriculture presents problems so essentially different from that of England that the fullest benefit from legislation on the lines indicated could only be secured by the establishment of an independent and sufficiently endowed Board of Agriculture located in Wales and empowered to deal with Welsh agricultural matters. Precedent for such action exists in the Board of Agriculture for Ireland and in that for Scotland.

Those who have read the articles on the Land Enquiry Reports for England and Scotland, already published in the *Bulletin*, will see that while conditions vary widely in the three countries, the reports agree in their recommendations on certain essential points.

In all three cases the Committees insist on the need of full security of tenure and increased facilities for securing small holdings for the tenant farmer as being the most important steps towards stemming the rural exodus and improving agricultural conditions.

All three reports also incline to prefer security of tenure under the protection of a Land-Court to State-aided or other forms of purchase by the tenant, as advocated by prominent reformers of the Unionist party, on the ground that the farmer can employ his capital more profitably in farming operations than by locking it up in the ownership of the land.

The need for credit facilities, and the advisability that these be developed along co-operative lines is another point on which all three reports agree, and there is a consensus of opinion that if small holdings

are to be developed to economic advantage, co-operative methods, more especially in the marketing of produce, must be assiduously developed and promoted by education and by the provision of credit facilities.

For the time being all there proposals, which in the early months of 1914 loomed large on the political horizon in Great Britain, are in abeyance, but there is little doubt that with the return of normal conditions they will again be among the foremost problems to claim the attention of the statesman.

ITALY.

AGRICULTURAL STRIKES ACCORDING TO RECENT OFFICIAL STATISTICS.

OFFICIAL SOURCES :

STATISTICA DEGLI SCIOPERI AVVENUTI IN ITALIA NEGLI ANNI 1908 E 1909. (*Statistics of strikes in Italy in the Years* 1908 *and* 1909). Department of Agriculture, Industry and Commerce. General Division of Statistics and Labour, Labour Office, Rome 1915.

ANNUARIO STATISTICO ITALIANO (*Italian Statistical Yearbook*), Second series, Vol. III, 1913. Department of Agriculture, Industry and Commerce General Division of Statistics and Labour, Rome, 1914.

BOLLETTINO DELL'UFFICIO DEL LAVORO (*Bulletin of Labour Office*) published by the Department of Agriculture, Industry and Commerce.

In our Bulletin of April, 1914, when treating of associations of employers, we observed that these had arisen in Italy with the object of opposing resistance to the frequently excessive demands of the labour leagues for better terms and higher wages. These associations have become widely spread, because of the increase of agricultural strikes in recent years. The report of an enquiry relative to the years 1908 and 1909 recently published by the Labour Office, gives us interesting information on agricultural strikes in Italy, enabling us by the abundance of particulars afforded, closely to examine these important questions of economic life.

§ 1. SOURCES OF NOTICES AND DATA AND THE ECONOMIC PHENOMENA CONSIDERED AS STRIKES.

The above mentioned inquiry was concerned with both industrial and agricultural strikes. To the consideration of these latter we now confine ourselves. As stated in the introduction to the report, the notices collected were drawn from the following sources :

(*a*) from manufacturers and proprietors affected by strikes ; and when many undertakings or firms were affected, if it was not possible to obtain information from all, recourse was had to those who were the most pro-

minent either on account of the extent of their undertakings or the leading part they had performed in the negotiations and in resistance to the strikes.

(*b*) from strikers, and when there was no organisation, especially in small rural communes, from those who through natural capacity or from having taken part in the strike could give information; frequently also from the ordinary correspondents of the Labour Office, and in the case of agricultural strikes, from the local leagues. When it was not possible to obtain information directly from the persons concerned, the Office reverted to the prefects, who in every case are bound to send answers to a schedule of questions which serve as a useful check and supplement to the notices furnished by the interested parties. Economic phenomena having the following characteristics were considered as strikes:

(*a*) Demands for the improvement of the conditions of labour made immediately to the proprietors or manufacturers by whom the strikers were employed; (by "conditions of labour" are understood those concerning labour contracts, tacit or expressed).

(*b*) Abstention from work by employees. No difference is made between work already begun and work to be undertaken, provided the necessity of this latter was evident and at a date at least approximately determinable, Nor is the duration of a strike, for a minimum period, nor a minimum number of workmen abstaining from work, nor a minimum duration of their abstention laid down as essential for the existence of a strike. Strikes are considered as such in the statistical tables even if they lasted only one day or less.

A strike, though affecting more undertakings and businesses than one, is considered as a single strike, when, while the object is the same and the date approximately so, there is solidarity not only among the strikers but also among the employers, so that the result may be attributed to the total pressure exercised by the united abstention from work. In agricultural strikes, since it is difficult to ascertain the extension beyond the confines of a single commune, the limits of the commune are almost always considered as those of the extension of the strike.

§ 2. Geographical distribution and classification of agricultural strikes.

We shall now consider in a special manner the agricultural strikes of 1908 (one of the years to which the enquiry was directed). We shall subjoin an interesting table showing the number of agricultural strikes and strikers from 1881 to 1913.

In 1908 there were in Italy 286 agricultural strikes with 173,425 strikers. The greater number of strikes (112) were among day labourers, the number of strikers being 56,686.

The highest number of these strikes was reported from Emilia (28 with 12,671 strikers). Especially important both for number and extent were

those in the provinces of Bologna (11 with 4,955 strikers), Ferrara (7 with 4,495 strikers) and Ravenna (5 with 2,400).

Lombardy came next (23 with 7,037 strikers), among which Mantua held the first place (13 with 5,023 strikers, chiefly engaged in the cleaning of rice) and then Pavia (8 with 1,974) especially in Lomellina. In Venetia there were 16 with 3,081 strikers, and in Piedmont 15 with 8,460. Fewer strikes (12) but with a much larger number of strikers (20,870) occurred among the day labourers of Apulia. Finally, if we except Rome, with six strikes and 2,650 strikers, the remaining strikes of day labourers were of little importance. In Tuscany there were 3 strikes with 248 strikers, in Umbria there were 3 with 818 strikers, in Sicily 3 with 761 and in Liguria 1 with 90.

Little less numerous (109), but with a greater number of strikers (83,409) were the strikes of day labourers united with those bound by contract. Of these there were in Emilia 45 with 22,264 strikers, the greater part being in the provinces of Parma (19 with 13,856), Piacenza (15 with 7,701) and Ferrara (9 with 515). In Lombardy there were 29 with 14,954 strikers. Venetia follows with 21 and 15,406 strikers. Apulia shows a smaller number (11) but with a larger number of strikers than any other region (29,185); Foggia alone showing 8 strikes with 19,980 strikers and Bari 2 with 9,040. These strikes occurred generally during the reaping season. There were 3 strikes with 1,600 strikers in Piedmont (Vercelli).

A much smaller number (23) than those already mentioned among the agricultural classes take place among metayers and contract labourers, with this difference that the number of metayers striking (12,190) was more than four times that of the contract labourers (3,005).

The highest number of strikes among metayers (19 with 3,817) is reported from Lombardy.

Strikes among contract labourers alone were likewise most numerous in Lombardy (10 with 772 strikers). Venetia came next (4 with 426), then Apulia, Campania and Emilia with three strikes each.

In the strikes in Emilia among day labourers, metayers and contract labourers, though but ten in number, large numbers of strikers (12,780) took part. These occurred more especially in the provinces of Parma (5 with 5,808) and Piacenza (5 with 5,760).

The same remarks may be made in regard to the strikes of metayers united with day labourers (9 with 5,355).

The following table shows the geographical distribution of agricultural strikes in Italy.

TABLE I. — *Distribution of Agricultural Strikes according to Region.*

Regions	Strikes	Strikers	Percentage of Strikes	Percentage of Strikers
Piedmont	18	10,060	6.29	5.80
Liguria	2	190	0.70	0.11
Lombardy	85	27,565	29.72	15.90
Venetia	41	18,913	14.33	10.90
Emilia	92	59,587	32.17	34.36
Tuscany	5	248	1.75	0.14
Umbria	4	1,488	1.40	0.86
Rome	6	2,650	2.09	1,53
Campania	3	370	1.05	0.21
Apulia	26	51,320	9.10	29.59
Sicily	4	1,034	1.40	0.60
Total	286	173,425	100.00	100.00

By this table we see that half of the strikes take place in North Italy (51.04 %) ; about two fifths (37.41 %) in Central Italy and little more than one-tenth (11.55 %) in Southern and Insular Italy. The distribution of the strikers seems much more uniform : Central Italy 36.89 %, Northern Italy 32.71 %, Southern and Insular Italy 30.40 %.

§ 3. DISTRIBUTION OF STRIKES ACCORDING TO MONTHS AND CROPS.

The month in which strikes are most frequent is May : in this month 105 (36.72 per cent) have occurred, due for the most part to the great movements which took place in the provinces of Parma (23), Piacenza (20), Foggia (12) and Vercelli (11). Next comes June with 61 strikes (21.33 per cent). In the other months except February with 36 strikes (12.59 per cent), they are much more rare. In fact, from 20 strikes in March (6.99 per cent) the number descends to 15 in April (5.24 per cent), to 12 in January (4.19 per cent), 10 in July (3.50 per cent), 6 in August and November (2.11 per cent), down to a minimum of 5 in September, October and December (1.74 per cent).

The distribution of strikers shows analogous features. In this case also, May takes first place (80,047 strikers, that is 46.16 per cent) showing an even greater excess over all the other months, and including almost half

the number of strikers for the whole year. June again takes the second place with 40,652 strikers (23.44 per cent) and March comes third with 17,861 strikers (10.29 per cent). The other months follow at irregular distances.

As to crops we find that that which has suffered from the greatest number of strikes (58) and of strikers (49,769) is wheat; rice suffered in the next degree by 33 strikes (16,015 strikers), and lastly vineyards by 27 strikes (19,409 strikers). Of the 58 strikes and 49,769 strikers, connected, as has been just stated, with the cultivation of grain, more than two-thirds of the strikes, (41) in which nine-tenths of the strikers (45,544) took part, occurred at harvest. There were thirteen strikes with 3,311 strikers during the time of threshing, two strikes with 480 strikers during the cleaning of the grain and two during the sowing.

During the mowing and gathering in of the hay crops and other cattle foods there were 14 strikes in which 4.066 strikers took part. In connection with olive cultivation there were 6 strikes with 1,853 strikers, with that of citrus plants three strikes with 761 strikers, with that of maize 6 with 1,443 strikers, and with hemp-growing 10 strikes with 973 strikers etc.

Lastly, in 31 strikes with 21,746 strikers all agricultural work was entirely suspended, and the livestock abandoned.

§ 4. Results and duration of strikes.

As to the results of the strikes, in proportion to their number, it is found that in many cases they are unfavourable to the workmen (23.08 %); an almost equal percentage (17.13 %) are slightly favourable; those on the whole favourable to the labourers or equally favourable to both sides form 16.08 %; finally, omitting those strikes of which the result is unknown (a percentage of 14.35), those of which the results are completely favourable amount to 13.28 % of the whole number of strikes.

When we consider the number of strikers, we find slightly favourable results decidedly predominate (28.49 %); next come the unfavourable results in almost the same proportion as above or 23.68 %; we observe a slightly larger number of results on the whole favourable (17.48 %); with on the other hand a slightly smaller number of cases of strikes the results of which were equally favourable to both sides (12.03 %) and we find a considerably smaller proportion completely favourable (4.62 %). The percentage in the case of strikes of which the results are uncertain remains almost the same as above (13.70 %).

The duration of the greater number of strikes is more than one day and less than six (30.42 %), or from six to ten days (26.92 %). Cases of longer duration are less frequent: from eleven to twenty days (11. 89%) from twenty one to thirty (3.50 %) from thirty one to fifty (1.75 %). The percentage increases perceptibly in cases of duration of more than fifty days (10.14 %). The percentage of strikes lasting only one day or less is 7.34 % and that of those of unknown duration 8.04 %.

Similar proportions have been observed as regards the numbers of strikers when the duration of the strike is from six to ten days, (30.71 %) and of more than one day and less than six (28.67 %); then come the cases of those which last from eleven to twenty days (11.85 %), from twentyone to thirty (1.72 %), from thirty-one to fifty (1.15 %). The percentage of strikers where the strike lasts more than fifty days is remarkable (17.40). But where the strike lasts only one day or less the percentage is small (2.23 %) and likewise in the case of strikes of unknown duration (6.27 %).

§ 5. Examination of the demands of the strikers.

It is especially interesting to consider the demands made by strikers. In all 977 demands were made in regard to the monopoly of labour, wages, hours, share in produce, additional pay, difficulty or danger of the work. Let us consider these individually:

(*a*) *Monopoly of labour.* This class, the most numerous and varied, includes 307 demands, 38 of which require the establishment of a registry office; to 17 of these an unfavourable reply was given, to 14 a completely favourable reply, 2 received an answer on the whole favourable, in 1 case the applicants received half of what was asked and in 1 only a very small part; in three cases the result is unknown.

For the recognition of an organisation 32 demands were made; for joint and several liability 25, for the exclusion of unorganised labourers, 23.

For the abolition or limitation of the use of machines 17 demands were made, 15 of which were refused. There were 15 demands for the appointment of a commission of arbitration, to all of which an entirely favourable answer was given; 14 for labour shifts and 14 for continuity of labour; 13 for the right to organise and to strike, 9 of which received a completely favourable answer, 3 an answer on the whole favourable, and in one case the answer is unknown); 13 requested a holiday on May 1st., which was granted in almost every case.

Demands of other kinds are less numerous; their object is generally to obtain for labourers the exclusive right to work as metayers, the prohibition of exchange of labourers; exemption of the metayer from the duty of doing certain work for the land owner, or payment or increased payment for such work; preference to be given to local labourers; the exclusion of foreign labourers.

(*b*) *Wages.* Demands in regard to this are more numerous (283)than any others except those regarding the monopoly of labour. Of these more than two-thirds (199) are for increase of wages. The answer given was favourable in 50 cases, unfavourable in 37; an answer half satisfactory was given in 35 cases, one favourable in a very small degree in 34, and one favourable on the whole in 27: the answer received in 16 cases is unknown. The next numerous class of demands is much lower, namely twenty-five made for equalisation of wages and thirteeen for an increase of payment in kind to labourers bound by contract. There were besides eight demands

for payment by the hour, and eight for an increase of wages according to an annual tariff. There were six demands for payment of wages in money instead of in kind, five for the observance of a tariff, four that wages should not be reduced, three that wages should not be forfeited on account of unfavourable weather, two for payment by the day instead of by the job etc.

(*c*) *Hours of work.* In regard to this matter, 177 demands were made, of which more than three-fourths (140) were for a reduction of the number of hours. The result was on the whole unfavourable in 59 cases; the completely or slightly favourable replies were 28 in number. For a fixed time table a far smaller number of demands were made, that is to say 14, eight of which received a favourable answer. In eight strikes a demand was made for one holiday a week and in six cases granted. Four demands were made that the time spent in going to work should be included in the hours of work.

(*d*) *Share in the profits.* In regard to this, 108 demands were made. Thirty concerned the increase of the shares in the profits and twenty-two, more than two-thirds of these, received entirely favourable answers. Twenty-one demands were for reduction of or exemption from expenses and in twelve cases the result was favourable. Next in order of frequency come seventeen demands for fixing or reducing payments in kind and largesse, fifteen for reduction of rent, and ten for a uniform system of metayers' contracts. These last were all granted. Other less numerous demands were presented for improvements in metayers' contracts generally, for the regular keeping of accounts between landlord and tenant, and the grant or better distribution of water for irrigation purposes.

(*e*) *Additions to wages.* There were 89 demands made in regard to this. Of these 22 concerned the revision of the rents of houses inhabited by labourers in Parma receiving food and lodging. All of these were rejected. Next come eighteen for insurance against accidents, ten of which received completely favourable answers ; fifteen for assistance in case of illness, thirteen of which were granted, and nine for higher payment for overtime and for work done on holidays, etc.

(*f*) *Danger and difficulty of labour.* In regard to this the demands were neither so numerous nor so varied. There were indeed only thirteen, of which twelve were for limitation of work and one for exemption from labour outside the labourers' duties.

About half of the whole number of demands (460 or 47.1 %) were presented in Lombardy, 188 (19.2 %) in Emilia, 154 (15.8 %) in Venetia, 91 (9.3 %) in Apulia, 27 (2.8 %) in Piedmont and 22 in Rome. In other parts of the Kingdom there were few demands regarding wages and hours.

§ 6. The number of strikes of agricultural character from 1881 to 1913 and the number of strikers.

Lastly, to give an idea of the frequency and intensity of strikes in Italy, we have reproduced from the above-mentioned statistical report

the following table showing the numbers of agricultural strikes and strikers from 1881 to 1913. But it must be remembered that the data referring to the years from 1910 to 1913 have been reproduced from the Annuario Statistico Italiano (Second Series, Vol. III) because the abrove-mentioned table contained figures only up to 1909, and the figures for 1913 are only provisional.

TABLE II. — *Number of Agricultural Strikes and Strikers from 1881 to 1913.*

Year	Number of Strikes	Number of Strikers	Year	Number of Strikes	Number of Strikers
1881	1	100	1898	36	8,495
1882	2	2,200	1899	9	1,895
1883	3	262	1900	27	12,517
1884	10	245	1901	629	222,683
1885	62	8,857	1902	222	146,706
1886	17	3,846	1903	47	22,507
1887	9	2,275	1904	208	94,756
1888	5	1,366	1905	87	43,695
1889	4	1,087	1906	342	117,065
1890	8	1,950	1907	377	254.131
1891	24	7,795	1908	286	173,425
1892	10	3,504	1909	132	46,569
1893	18	12,390	1910	97	25,805
1894	8	4,748	1911	148	132,738
1895	7	1,765	1912	176	95,841
1896	1	100	1913	94	85,000
1897	12	24,135	—	—	—

This table shows that the strikes which in 1907 reached a maximum both as regards frequency and number of strikers (377 strikes and 254,131 strikers), began to diminish in number in 1908. though still numerous and extensive, and in 1909 showed a very remarkable decrease. In 1908 there were 286 agricultural strikes and 173,425 strikers and in 1909 these figures fell respectively to 132 and 46,569. In 1910 the decrease was accentuated, but in 1911 and 1912 there was a sudden increase in the number of strikes, which rose from 97 to 148 and 176. But in 1913 there was again a decrease, the number of strikes falling to 94.

MISCELLANEOUS INFORMATION RELATING TO AGRICULTURAL ECONOMY IN GENERAL.

UNITED STATES.

1.— THE PROPOSED FEDERAL CONTROL OF PUBLIC GRAZING LANDS.— From time to time during the past ten years bills have been introduced in Congress for the purpose of regulating grazing rights over the unalienated public lands of the United States. The most recent bill, introduced in 1914 by Representative William Kent of California, met with the approval of most of the persons and associations interested in the question. In brief, the Kent bill (which did not succeed in passing Congress) provided for the creation of grazing districts by proclamation, and for the issue of grazing permits or licences upon the payment of certain fees. Twenty-five per cent. of the receipts from fees was to be paid over to the authorities of the district within which the lands leased were situated to be devoted to the development of the public schools and the construction of roads. In issuing permits the claims of the actual occupants of the land were to be given priority. Local committees upon which the various interests in the land were represented were to act in co-operation with officers appointed by Government in dividing the land available between the different kinds of stock and determining the number of animals that could profitably be grazed.

The need for apportioning the land between the rival intereats of sheep-breeders and cattlemen is clearly recognised. Where sheep and cattle are grazed upon the same range there is constant friction, and sometimes actual fighting and bloodshed, between the men employed in tending the flocks and herds. Moreover, the present system of unrestricted right of pasture over unappropriated public lands is admittedly wasteful and is leading more or less rapidly to the destruction of what ought to be the permanent grazing value of the land. Under a system of wise regulation the perpetuation of the valuable range grasses could be secured, encouragement would be given to the development of water supplies upon which the value of grazing ranges so largely depends, unused areas would be opened up, and it would be made profitable to devote attention to improvements in breeding.

The importance of the question of developing the national grazing areas is easily realised. The public grazing lands of the United States, situated almost wholly in the States of Arizona, California, Colorado, Idaho,

Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington and Wyoming, occupy some 280,000,000 acres, or nearly one-sixth of the area of the United States, excluding Alaska. On this public domain are grazed no less than 16,000,000 head of sheep, 4,000,000 head of cattle and 1,000,000 horses. The high cost of living, and in particular the high price of meat, is already attracting attention, and if the public grazing lands are exploited instead of being wisely used and carefully conserved, the cost of living will undoubtedly continue to rise. It is calculated that under a system of intelligent regulation the number of sheep and cattle which could be supported on the public ranges might be increased no less than fifty per cent., and an increase in supply of these dimensions ought to have an appreciable effect on the cost of meat.

This estimate of an increase of fifty per cent. in the stock-carrying capacity of the public lands under regulation is made by Mr. Dwight B. Heard, President of the American National Live Stock Association, in an article in the *American Review of Reviews* for September, 1915, and Mr. Heard supports his opinion by referring to the results of federal control of the grazing in the National Forests. Some twelve years ago the grazing in the forests was placed under the administration of the Forest Service which upon taking charge instituted a system of grazing licences issued upon the payment of reasonable fee. The system of regulation met at the time of its introduction with the most violent opposition from the cattlemen who had had till then free use af the forest ranges, but to-day after experience of the working of the system the same men are practically unanimous in prefering regulation, while the number of head of stock grazed has increased almost fifty per cent.

The experience of the state of Texas has been very similar. The grazing lands there have been allotted under a system of leases and now support fifty per cent. more cattle than in the old days of free and unlimited grazing, constant disputes, occasional murder, and rapid destruction of valuable pasture land.

One bill introduced in the same session of Congress as the Kent bill succeeded in passing the House. It was introduced by Mr. Ferguson of New Mexico and is generally referred to as the Ferguson Grazing Homestead bill. It provides for the acquiring of grazing homesteads of 640 acres within areas specially designated by the Secretary of the Interior, no area being designated for settlement unless the land is of such a kind that 640 acres of it will support a family in reasonable confort.

It is anticipated that in certain parts of the West a considerable number of such homesteads will be selected, but the area settled in this way will in any case be but a small proportion of the total area of grazing land still unalienated.

2. — DIRECTOR OF MARKETS APPOINTED IN IDAHO. — Following the example of the federal Government, several of the states have proceeded to

establish a new division of their State Department of Agriculture to be known under the name of the " Office of Markets " or under some name closely corresponding. North Carolina has had an office of this kind conducting investigations for some time past ; Texas, in 1913, granted an appropriation of $ 15,000 for the purpose of Collecting information on marketing methods ; Idaho has quite recently (in the session of 1915) passed an act establishing an " Office of Director of Markets. "

The Director is to be appointed by the Governor and is to hold office for two years at a salary of $ 2,500 a year. Presumably his continuance in office depends upon his reappointment at two year intervals so that he has little in the way of security of tenure.

His duties as laid down by the Legislature are " to promote, in the interest of the public, economical and efficient production of all farm products. " The real problem upon which he has to work is that of marketing farm products, and this problem in itself is sufficient to occupy the whole of any one man's time and energy. It is rather unfortunate, therefore, that a very wide scheme of work has been outlined for performance, and a writer in the *American Economic Review* for September (Mr. A. W. Taylor, Washington State College) would seem to have good grounds for his opinion when he says that among the many lines of work which the Director is instructed to undertake " little of definite value can be expected that will shed light on the main problem, that of marketing farm crops. "

The Director is authorized to establish a service for the dissemination of news regarding crops, freight rates and the charges of commission dealers. He has to investigate the transactions of middlemen and prevent fraud. He is expected to promote rural betterment and, so far as lies in his power, to provide equality of opportunity for all farmers in Idaho. He has further to fulfil the duties of an immigration agent, assisting settlers to make a wise selection of land, protecting them from unscrupulous land agents and prosecuting in cases of misrepresentation or fraud in the sale or transfer of real estate. His office is to act as a farm labour exchange and is authorized also to register lands for sale, charging a fee of one dollar for registration and a commission of one per cent. upon sales effected.

Mr. Taylor comments upon the duties imposed upon the Director as follows, —" Much as all these phases of agriculture need attention, it should be evident to anyone who considers the matter seriously that one official can not attend to duties so varied as those enumerated and do justice to them. "

The marketing problem in the Northwestern states is a serious one and it has been aggravated in the case of Idaho by real estate booms during which many settlers paid inflated prices for land, especially for irrigated land. Agricultural production has been largely increased by the influx of immigrants and demand has not kept pace with supply. It remains to be seen if a wider market can be created for the products of Idaho farms.

FRANCE.

1. — THE SUPPRESSION OF THE FISCAL PRIVILEGES OF BOUILLEURS DE CRU (1). — On August 26th., M. Ribot, the Minister of Finance, laid before the the Chamber of Deputies a bill of great importance. It aims at reducing alcoholism in the country districts by suppressing the fiscal privileges of the *bouilleurs de cru*, without, however, the producers being injured or the State or communal finances suffering.

In 1903, a law suppressed the privileges of these distillers, except, however, in regard to an amount fixed in advance for the amount of spirits consumed by the household. The officers entrusted with the supervision of the application of the law had to make search at the houses, and this caused such discontent in the country that in 1906 the privilege was re-established. The provisions of M. Ribot's bill, involving a thorough recasting of the fiscal system in regard to alcohol, avoid this difficulty.

Henceforth, distilling can no longer be carried on at home. The stills in the possession of private persons, in regard to which the excise office is thoroughly informed, will be bought at the desire of the distillers. So there will be no more searching of houses, as there will be no more stills. The distillation will be done for the small farmers in public establishments, such as have already been formed by the producers in several departments, especially in the Charentes district, and there the work will be supervised. All the alcohol for sale, whatever its origin, will pay the same dues. The rate will be raised from 220 fr. to 500 frs. the hectolitre. But town dues will be suppressed. For the town of Paris, where the 220 frs. per hectolitre are increased by 195 frs. town dues, there will therefore be an additional charge of 85 fr. The increased charge will naturally be more considerable in those towns where the town dues are less or where there are no town dues. By way of compensation, the fifth part of the yield from the dues will be distributed among the communes in accordance with a table, and rural communes will be favoured. They will receive an important proportion of the excise dues, which will be the larger, as no town dues were levied by them. This will enable them to bear the decrease in the land tax.

In 1900, the increase of the excise dues from 156 fr. 25 to 220 frs. had reduced the consumption from 1,750,000 hl. to 1,350,000 hl. It is to be expected that the increase from 220 frs. to 500 frs. will have an even more considerable effect. Reckoning the future consumption at about 1,000,000 hl., the Minister of Finance finds that not only will the State lose nothing, but it will collect some scores of million francs more than today, especially as an extra tax of 100 frs. per hectolitre will be levied on *apéritifs* and liqueurs.

(1) The bouilleur de cru is a land holder or tenant farmer who distills exclusively from wine, cider etc. of his own production.

The employment of certain ingredients in the composition of cheap *apéritifs* and liqueurs is forbidden: especially, thuyone, salicylic ethers and benzoic aldehyde, which were above all used in the preparation of imitation kirsch. The proportion of essential oils in all liqueurs is limited to 0.50 gr. per litre.

To protect the interests of the producers, the Government proposes largely to extend the consumption of industrial alcohol for industrial purposes. With this object from 1917 it will keep the monopoly of industrial alcohol, so as to obtain the fixed price necessary for industrial purposes. It will then endeavour to find new uses for it, especially in connection with the motor car industry.

Thus this great reform establishes general supervision in the case of alcohol for consumption and the monopoly of industrial alcohol. It is inspired by the requirements of public health and safeguards the interests of the producers, the trade and the Treasury.

2. — SUBVENTIONS FOR CULTIVATION WITH THE HELP OF MOTORS. — A Decree of the Minister of Agriculture of September 1st., 1915 has just regulated the grant of these subventions, as under:

Art. 1. Agricultural groups of at least seven members (professional syndicates, co-operative societies, syndicate associations) may receive for purposes of experiment and demonstration, subventions from the Department of Agriculture, for purchase of machine motors for cultivation, in accordance with the following rules.

These subventions may in exceptional cases also be granted to communes, during the war.

Art. 2. Applications for subventions must be addressed to the Minister of Agriculture through the Prefect. They must be accompanied by the Prefect's report and the following documents drawn up or passed by the manager of the agricultural services of the department.

(1) Descriptive estimate and price of machine as well as statement of the mode of payment agreed to by the supplier;

(2) Regulations in regard to the conditions of the use of the machine;

(3) In case of an agricultural group, two copies of the rules of the syndicate, society or association, and a note showing the number of members, the capital at their disposal and the bases on which the expenditure and collective charges are distributed among them;

(4) In case of a commune, a vote of the municipal council authorizing the operation and fixing the amount of the funds by which the expense is to be met;

(5) A report showing the topographic and soil characters of the region in which the machine is to work, the area to be cultivated, the mode in which it is divided and the general details of the plan.

Art. 3. The subventions are distributed by the Minister of Agriculture, after consulting with a special commission composed as follows:

The director of agricultural instruction and agricultural services, president.

The head of the agricultural mutual credit and co-operation service ;

A general inspector of agricultural improvements ;

The general inspectors and inspectors of agriculture ;

The director of the machine experiment station ;

The secretary of the agricultural labour commission ;

An officer of the agricultural encouragement bureau, as secretary.[1]

Art. 4. The amount of the subvention is fixed in accordance with a table approved by the distribution commission, subject to the approval of the Minister. It cannot exceed the third part of the expenditure for the purchase of the machine, and the fourth of that amount in the case of a group which also applies for agricultural credit.

These maxima may be raised respectively to one half or one third in the case of regions that have suffered by the war.

Art. 6. The agricultural groups subsidised may not place their machines at the disposal of persons other than their members.

3. — An interesting example of the application of the small holdings law. — The Saint-Omer Real Estate Credit Society held its annual general meeting meeting on June 29th., 1915. This society is one of the oldest and most important, founded for the application of the law of April 10th., 1908, facilitating town and country workmen to obtain small holdings. The Real Estate Credit Societies receive, as we know, advances from the State at 2 % and lend (on the security of mortgage and life insurance) to persons of small means 4/5ths. of what they require either to purchase or build a healthy house, or purchase a field or garden of one hectare area and a maximum value of 1,200 frs., which they undertake to cultivate themselves.

The report of the board of management of the Saint-Omer Society shows that since its foundation (May 2nd , 1912) the Society has made 83 loans for an amount of 312,162 fr. 70. One of the borrowers died on March 27th., 1914, after having contracted a loan on January 13th. of the same year ; the National Insurance Institute paid the society the amount assured by it on his life (3,330 frs.) as soon as it heard of the death.

Of all these loans, 63 are to be repaid in 25 years, the others at earlier dates, the earliest being 10 years.

The average loan is 3,762 fr. 50, if the society advances the life insurance premium, and otherwise 3,277 fr. 50.

The instalments to be paid by the borrowers vary from 6 frs. to 35 frs. per month ; in one case only reaching 40 frs. per month.

It is interesting to observe that the number of the persons engaged in agriculture who have recourse to the Real Estate Credit Society is particularly large. In the statistical tables showing the profession of the borrowers, farmers, agricultural labourers, gardeners and shepherds head the

lists. Fourteen loans were made to members of these classes. Then come office and commercial employees, 12 in number, next railway employees, 11 in number etc.

Twenty nine of the properties bought by means of loans from the society are situated in towns and 54 in the country.

(Summarised from the *Bulletin de l'Union Centrale des Syndicats des Agriculteurs de France*. August, 1915)

4. — AGRICULTURAL INSTITUTE FOR PERSONS DISABLED IN WAR. — The *Union du Sud Est des Syndicats Agricoles* has decided, with the assistance of the Paul-Michel Peiret agricultural institution, to found an agricultural institute for persons disabled in the war, at Limonest, 7 km. from Lyons.

This Institute offers its services to the disabled, either definitely exonerated from service as unfit, or temporarily on leave. For admission, the applicants must undertake to conform to the rules of the establishment and promise to study the methods of agricultural improvement and adaptation, and attempt to take part in general agricultural work according to their abilities. Free lodging and board will be assured to them by means of benevolent donations.

The thought inspiring the South East Union in this action is the desire to show that the agricultural profession is not closed to those disabled in war, that, on the contrary, there is more comfort and security for them to be found in it than in industrial or urban professions. It is even possible in fact that those who have had an arm amputated may adapt themselves better to agricultural than to industrial work. But, in order to encourage combatants to return to the country, who have been born there or are attached to it by family ties or through property possessed there and to maintain themselves in their profession and in their environment, it is necessary to educate them again to agriculture. This is the aim of the General Institute for the Disabled, founded by the South East Union. It will seek :

1. to discover systems, implements and methods which will enable the disabled to do work they perhaps believed themselves unfit for (for example study the methods and implements that will enable a man with one arm to plough).

2. to discover and give instruction in regard to labour or cultivation possible for the disabled, and able either to yield them an accessory revenue, or even to be their sole and principal occupation (for example, beekeeping, gardening, arboriculture etc.), the return from which, together with the pension from the State will enable a disabled landowner to work and live, provided he has assistance for work exceeding his strength.

(Summarised from the *Bulletin de l'Union Centrale des Syndicats des Agriculteurs de France*. September, 1915).

GABUN (FRENCH COLONY).

LAND POLICY AND NATIVE AGRICULTURE. — On June 15th., 1915, the Governor of Gabun, M. Guyon, communicated to the Colonial Institute at Marseilles the instructions he had just prepared with a view to the formation of native plantations of cacao trees and the progressive organization of the natural palm groves. The programme of the Government of the Colony consists of two quite distinct portions.

1st. The formation by the natives of cacao plantations by preference on the site of palm groves, the yield from the plam trees enabling the cultivators to wait without anxiety for the slow cacao harvest.

2nd. The progressive utilisation of the natural palmgroves in the neighbourhood of native villages.

The intention of the Government is not to form immense scientifically organized plantations, but many little farms. It professes to be inspired by the example of the Gold Coast, which exports 40,000 tons of cacao a year and the prosperity of which is due to the manifold and persistent efforts of the native farmers.

The Governor urges his subordinates to make the natives understand that, if they wish to improve their material conditions, they must not confine themselves to the cultivation of manioc and bananas for consumption. The work required for such cultivation does not suffice to keep the native occupied, and he remains idle a large part of the year. He must be brought to devote his free time to such cultivation as will bring him in a revenue and to profit by the wealth that nature has placed within his reach, in the form, for example, of cabbage palms.

So much said, we shall now mention the practical measures the Governor proposes in order to promote the foundation of these small farms. Subject to circumstances which can only be appreciated on the spot, the Governor lays it down as a principle that, in the case of each village presenting the necessary aptitude for production, on an average a family of four adults of either sex shall be required :

1st. to plant forty cacao trees a year. This is no heavy task, since in one day a single person can easily dig ten pits to receive the cacao plants or seeds.

2nd. to ensure the maintenance in good order of the plantations and the cultivation of the trees that has been begun, to proceed each year to substitute new trees, form new plantations and progressively organize the plantations. This means that in eight years' time, for example, a family, of four persons will have planted and cultivated 320 cacao trees and have under its charge 80 palms. At that date, the farm would be ready to give a return, and would have about 200 cacao trees and from 60 to 70 oil palms, altogether 300 trees, from which a certain revenue could be ob-

tained after deduction for losses. These 300 trees would cover an area of less than half a hectare, as 1,000 cacao trees and 180 palms are reckoned to the hectare. A group of four farmers will be able without difficulty to maintain a plantation of this area, as on European farms, one native workman suffices for a hectare of cacao trees.

In order to realise this programme, it is of the greatest importance to prepare the natives for collective effort. This is a condition necessary for the continuance of the work, the due maintenance of the plantation and the palm trees. It is then important in the first place, that the plantations and the cultivation of palms be undertaken by the different villages under the authority of the Chief and the supervision and control of the "chef de subdivision", who must not fail to make the native groups clearly understand that the profits from the labour thus demanded from them will be exclusively their own.

The "chef de subdivision" shall proceed in this spirit to the selection of suitable sites, with the assistance of the Inspector of Agriculture. The latter functionary will then instruct the planters in regard to the clearing of the land, the preparation of the soil, the planting of the seeds and trees, the distribution of trees for shade and shelter, the management of the palm trees, and the care to be given to the young plants.

Plants and seeds will be supplied by the Agricultural Department and distributed freely to the planters in presence of the village chiefs. With this aim, the Department has this year started large nursery gardens at the Libreville experimental garden, and will be able in the next rainy season to supply about 100,000 cacao trees. The manner of distribution will be noted in the registers of cultivation of the Subdivisions, which were instituted in connection with the distribution of encouragement prizes for the cacao palm growers. The natives will be advised of the penalty they will incur, if, through their fault, these seeds or plants are lost or not used. Under certain conditions, such an event will be considered as constituting a fraud, to be punished by the native court. The cultivators will be further bound to conform to the technical prescriptions laid down by the Agricultural Inspector, and those who show themselves negligent or refractory may be considered as without ground refusing to conform to the Government instructions, which is an offence punishable under the Native Code. However, the Governor urgently recommends that severe measures be not resorted to until all possible means of persuasion are exhausted. "Systematic reprisals", he says, "would discourage the natives. The results desired may be obtained by firmness, but above all by perseverance and supervision of the planters' work."

In spite of the difficult situation created for Gabun by the state of war, first attempts have been made in two districts near Libreville. The experiments now being carried out in the region will serve as a basis for future efforts, and, gradually, as circumstances permit, the application of the programme will be extended to other districts. In a few years, the colony will have a respectable number of cacao trees and palm trees and the crops will considerably increase the export trade.

In addition to this, not only will the foundation of these native farms in no way interfere with the working and the progress of those belonging to Europeans, but it will be a means of increasing the prosperity of the latter. The cacao harvested by the natives will be for the most part bought by the colonists and the produce of the palm groves will contribute to supply the factories set up by the colonisation societies. To these results we must add those which a more advanced agricultural education of the natives will give. The effect of the action of the Government will be to interest the native population to a greater extent in the working of the soil.

The number of agricultural labourers will necessarily increase, which will ensure the colonisation societies of a supply of labour under better conditions.

(Summarised from *Expansion Civile*, bulletin of the *Institut Colonial Marseillais* of the first half year of 1915).

PROTECTORATE OF MOROCCO.

ESTABLISHMENT OF A DEPARTMENT OF AGRICULTURE, COMMERCE AND COLONISATION. — The need has been increasingly felt in Morocco for an organisation in which the study of the problems of colonisation could be centralised. General Liautey has just founded one. A "*Dahir*" of August 30th., 1915 sets forth its aim.

At present, matters relating to colonisation are dealt with by various State services, only one of which, that of Economic Investigation and Information, is directly dependent on the General Secretariat of the Protectorate; the others depend either upon the General Department of Public Works (Agricultural Services and Service of Waters and Forests), or on that of Finance (Domains Service and Preservation of Homersteads Service).

Now in view of the increasing development of European interests in Morocco and the still greater extension they will probably attain, it is essential that all questions relating to colonisation should be made to harmonise, centralised, and made to depend immediately upon one organization. Incontestable advantages would be derived from this in the direction of the rapid solution of difficulties and in the facilitations the cololonists, both those long established and the new arrivals, would have in knowing to whom to address themselves and in having the sources of information and the organizations for deciding questions centralised.

The central organization can only be the General Secretariat of the Protectorate, upon which all the services relating to colonisation would henceforth directly depend, the Agricultural Service and the Service of Economic Information united in one department, under the name of *Department of Agriculture, Commerce and Colonisation*, the Service of Waters and Forests, the Domains and Preservation of Homesteads Services.

Consequently, the "*dahir*" institutes a Department of Agriculture, Commerce and Colonisation for the Shereefian Empire which will act as a Service of Agriculture in the strict sense, a service of Economic Investigation and Information, and will deal with problems in connection with the organization and work of Chambers of Commerce, Industry and Agriculture, and various similar associations of Europeans and natives, the live-stock improvement and epidemic cattle disease service, that for the repression of fraud in the sale of goods and the adulteration of food stuffs and agricultural produce, the working of industrial and agricultural chemical laboratories, matters in connection with European and native thrift, mutual aid, and credit societies and generally every question affecting agriculture, commerce and colonisation.

(Summarised from *Afrique Française*, the monthly bulletin of the French African Committee and the Morocco Committee, September, 1915).

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO AGRICULTURAL ECONOMY IN GENERAL.

UNITED STATES.

STUDIES IN FARM TENANCY IN TEXAS. *Bulletin of the University of Texas*. No. 21, 1915, pp. 151. Austin, Texas: Published by the University.

This volume is in the main the work of members of the teaching staff and graduate students of the University working in the Division of Public Welfare of the Department of Extension. Two out of the ten chapters have been contributed by workers in other Divisions of the University of Texas.

The problem examined is the familiar one of the increase of farm tenancy during the three decades from 1880 to 1910. Throughout the United States in these thirty years the proportion of tenants among farmers increased from 25.6 to 37 per cent. In Texas tenants increased relatively from 37.6 to 52.6 per cent. In the row of states from South Carolina to Texas, with Arkansas and Oklahoma to the north, three out of every five farms are worked by tenants, a much higher proportion than is found in any other considerable area in the United States. Texas may be taken as substantially representative of conditions withen this group.

In the same group of states the bulk of the American cotton crop is grown, the great proportion of the negro farmers are found, and the evil of universal credit at exorbitant rates is greatest. The problem is all of a piece. The tenant, coloured or white, with no capital, ignorant and shiftless, is supplied with everything upon credit either by the landlord or by the merchant upon the landlord's guarantee, upon condition that he cultivates cotton and nothing but cotton and shares the crop with the landlord. The cultivator accepts the condition because he has neither the ability nor the capital necessary for any higher type of farming. Cotton is a laborious but not an exacting crop to grow: it will deteriorate if negleeted, but will not be lost entirely by a couple of day's neglect as many other crops would. Moreover, it can be turned into cash as soon as produced and it is seldom a total failure. It often sells, it is true, at a price so low that the whole crop does not suffice to pay off the tenant's debt to the landlord or the merchant, but that is not looked upon as a matter for regret, since it ensures that the tenant must bind himself to produce cotton again in the following year.

Can this vicious system, compounded of tenancy, easy credit at ruinous rates, and the single crop which exhausts the soil, be broken up? That is the chief agricultural problem of the South.

Without doubt it can; and we note with pleasure that the conclusions of the volume before us are optimistic in tone. The writers present no sovereign remedy, no panacea for all the ills the land is heir to. They are, indeed, so conservative that their first proposal is that compulsory education be extended, and agricultural high schools established. Next they insist that some simple system of registration of land titles is needed, and suggest that a careful study should be made of the question of instituting some kind of graduated land tax and an inquiry made into the working of the homestead law. The writers would like to see the chattel mortgage abolished but recognise that it will probably survive until diversified farming has been taught to the people of the South. Numerous admirable agencies are spreading a knowledge of stock-breeding and crop-rotation and the outlook in this direction is encouraging. Finally, it is proposed that a Land Commission should be established and should undertake the task of drawing up suitable contracts of lease with the object of securing the longer occupation of holdings and providing for the carrying out of much needed improvements upon the land.

The volume belongs to the class of monographs which aim at disseminating information and building up a sound public opinion with regard to important questions upon which, sooner or later, it will be necessary to legislate. The idea is excellent, and in carrying it into practice it is obviously advisable to present sufficient statistical data to support the argument in hand. But it would be a mistake in tactics to overload the text with figures, and the writers of these *Studies* have perhaps erred in this direction. It is just a little difficult to see the wood for trees. In the first chapter occupying thirty-five pages we are called upon to examine sixteen maps and nine diagrams, and this we fear is rather more than the average reader is capable of assimilating. The average reader (it is worth while remembering) is apt to become either nervous or depressed in the presence of many decimals, and even a hardened reader may be excused if he gazes somewhat wearily at the sixteenth map of Texas.

CARVER (T. N): The Organization of a Rural Community. Pamphlet. pp. 58. Washington: Government Printing Office. 1915.

This is a reprint of an article contributed by the distinguished economist to the Year Book of the Department of Agriculture for 1914. Dr. Carver fills the position of Adviser in Agricultural Economies to the Department and prepared this study for the use of the Office of Markets and Rural Organization.

Briefly, Dr. Carver here outlines a plan for the organization of the members of a rural community into a number of committes for the purpose

of carrying out schemes of economic and social betterment. He does not, of course, suggest that his plan and the schemes which he outlines shall forth with be adopted and put into practice in rural communities everywhere throughout the United States. In the first paragraph of his article he lays it down that there must be a clear and definite need for organization in a community before any part of the plan can hope to achieve success. He deprecates haste, and warns would-be reformers that careful study must precede action. "A few bad mistakes and conspicuous failures," he says, "will discredit the whole movement and put it back for a generation."

Where there is a clear need and a real demand for organized action Dr. Carver proposes that a central or executive committee should be established, which committee should direct and co-ordinate the work of committees appointed for specific purposes. Each and every member of the organization should be assigned to one or other of the committees, and naturally, each would be assigned to the committee in the work of which he or she was most interested. The central or executive committee would be composed of the chairmen of the various separate committees, with a president, secretarya and treasurer.

Taking the business interests of the community first as of fundamental importance, Dr. Carver proposes that committees should be formed to deal with (1) Farm production, (2) Marketing, (3) The acquisition of farm supplies, (4) Farm finance and accounting, and (5) Communication and transport. To deal with the community's social interests committees would be appointed on (6) Education, (7) Sanitation, (8) Recreation, (9) Beautification, and (10) Household economics.

The central committee would direct the general policy of the organization, have charge of all property either owned or rented, raise all funds needed, appoint all paid officers if any are needed, and conduct all correspondence with other organizations of a similar charater, as well as with business or banking houses, railway companies, manufacturers and dealers. It is not necessary for us to follow Dr. Carver in outlining the work of the separate committees. The nature of the work which each is intended to undertake is sufficiently indicated in its title.

The study contains a great many useful suggestions and is, in fact, a kind of summary of all the officially approved advice, which has been profered to the American farmer in recent years. Some of this advice, perhaps, runs the risk of being disregarded on account of its complexity. Rural organisation must, in its beginnings, proceed on very simple lines; elaborate schemes can only be carried out when the rural communities have become thoroughly accustomed to combined effort. Dr. Carver himself warns us that his own scheme should only be regarded as an ideal towards which to work.

ALLEN (C. E.): GREATER AGRICULTURAL EFFICIENCY FOR THE BLACK BELT OF ALABAMA
Annals of the American Academy of Political and Social Science, pp. 187-198. September, 1915. Philadelphia.

In this paper in the *Annals* the writer first endeavours to show in as impressive a manner as possible yet with scrupulous fairness the agricultural situation in those counties in Alabama in which negroes form a majority of the population — the so-called "Black Belt," — and then discusses the possibilities of developing greater agricultural efficiency in this region.

For the purpose of showing what the actual situation is, he compares production in 1910 in the twenty-one counties forming the Black Belt with production in an equal number of counties, lying north and south of the Belt, in which whites predominate. In the Black Belt the average production of cotton per acre was 0.27 of a bale, and of corn 10.4 bushels per acre. In the "white" counties the average production of cotton per acre was 0.34 of a bale and of corn 11.4 bushels per acre. In the Black Belt the cotton acreage in 1910 was 51,840 acres greater and the corn acreage 140,614 acres less than in 1900; in the white counties the acreage under cotton increased by 203,880 acres and that under corn decreased by 102,594 acres in the same period. Where the negroes are in the majority, that is to say, 88,774 acres were abandoned during these ten years, while in the white counties an additional area of 101,286 acres was brought under cultivation. The disparity in efficiency however is greater than is shown by these figures, since it is an acknowledged fact that the soils of the Black Belt are naturally more fertile and better adapted to the growing of staples than the soils of other regions in Alabama.

In the matter of improvements and stock which add to the capital value of the farms the difference is more striking. In the Black Belt, between 1900 and 1910, land and buildings increased in value 88 per cent., and implements and machinery increased 69 per cent., while in the selected white counties the corresponding increases were 150 and 113 per cent.

The movement of the rural population is another useful index of the condition of agriculture which also serves to show how unsatisfactory is the situation in the negro counties. Between 1900 and 1910 the rural population of the Black Belt (if we exclude four border counties) decreased 37.1 per cent., while the rural population of the white group increased 21.3 per cent.

The remedies suggested are all of proved utility, — better educational facilities, definite instruction in agriculture, improved roads, co-operation. These we know are all capable of contributing their quota to the solution of the problem of the inefficient negro farmer, but as Prof. Allen points out they fail to touch the very crux of the problem, which is the question of the negro as cash tenant free from the landlord's supervision. The negro who is left for a year in undisturbed possession of a piece of land which he can cultivate as seems best to himself is the worst of all farmers. Either general conditions of life in the Black Belt must be so improved

as to attracts white farmers there, or the negroes must be content for at least some time to come to work under the direction and supervision of efficient white farmers. Even so it is imperative that the negro farmer should receive definite practical instruction in farming so that under the guidance of the white farmer he may gradually be raised to a higher level of efficiency. As things are the white farmer who undertakes kes the supervision of ten or twelve negro share-tenants finds that his own standard of efficient work tends constantly to sink towards their lower standard. Unless his efforts to produce efficiently with negro labour are supported by a broad scheme of instruction and education for the negroes themselves, he will be able to effect very little. The dead weight of ignorance and indifference will be too much for him to raise · in time it will even drag him down.

NEGROES IN THE UNITED STATES. Bureau of the Census. Bulletin 129. Washington: Government Printing Office pp. 207.

In this volume are gathered together the principal and most recent statistics relating to the negro population of the United States, derived from the Thirteenth Census and from other statistical inquiries carried ont by the Bureau of the Census. A similar volume was issued in 1904 containing the data collected at the Twelfth Census taken in 1900.

The information in the present monograph relates to (1) Population, (2) Agriculture, (3) Mortality, and (4) Religious Bodies. The material relating to agriculture is in large part published here for the first time and will be of special interest to our readers, who may recall an article in the *Bulletin* of June, 1914, on the " Social and Economic Progress of the Negro Farmers ."

In 1910 there were in the United States 893,370 negro farmers, forming 14 per cent. of the total number of farmers. This proportion is considerably higher than the proportion of the negro population to the total population, which is 10.7 per cent. The number of negro farmers increased 19.6 per cent. between 1900 and 1910, while the number of white farmers increased 9.5 per cent.

The average acreage per farm worked by negroes in 1910 was 47.3 acres as against 153 acres for farms worked by whites, while the average value per farm was for negroes $1,280 and for whites $7,299.

Seventy-five per cent of the negro farmers were tenants and twenty-five per cent. owners. Among white farmers 68 per cent. were owners, 30 per cent. were tenants, and the small remaining proportion were managers.

In 1910 no less than 98.6 per cent. of all negro farmers were to be found in the South. In number of negro farmers Mississippi stands first, followed in order by Georgia, Alabama, South Carolina, Texas, North Carolina and the other ten Southern states. During the decade 1900-1910 Georgia advanced from fourth to second place. North Carolina, Arkansas and

Oklahoma also advanced in order of importance, while Alabama, South Carolina, Louisiana, and Kentucky declined.

The Director of the Census states that this volume is to be followed by "a more complete and comprehensive report on the same subject." The *Bulletin* itself reaches respectable dimensions, containing as it does more than two hundred folio pages, so that the fuller report will have interest only for the small number of persons who are making a special study of the negro problem in America.

It is interesting to learn that the statistical tables in this bulletin are the work of three negro employees of the Bureau of the Census.

GREAT BRITAIN AND IRELAND.

THE YEAR BOOK OF SOCIAL PROGRESS FOR 1914-15. London, 1915. Thomas Nelson and Sons. 8°. 636 p.

"In spite of the general concentration of interest on the momentous events which are now taking place on and across the seas," writes the editor of "The Year-Book of Social Progress" in a Prefatory Note, "the publishers have decided to bring out this Year-Book as usual. Two considerations may be mentioned as having helped them to this decision. Firstly, the period ending August 4, 1914, is one of great importance to the social reformer, and one of which some record must be kept even in the midst of war; and secondly the after-effects of the present struggle will make social progress a more vital and pressing matter than ever when the days of peace come again. For that time we must be prepared and although the social progress of the future will inevitably follow lines somewhat different from those of the past, its continuity will not be broken."

Admirably the Editor has carried out his task and the Year-Book is an extremely valuable compendium of information upon all social questions in the United Kingdom. A chapter of 59 pages is devoted to "The Land Question," and contains not only facts and figures relating to the land and to the results of land legislation, but a summary of the many remedies which have been proposed for the admitted evils of the existing land system. These proposals we have already outlined in the *Bulletin of Economic and Social Intelligence* (1), but it is worth while quoting the statement of the evils, as they present themselves to the view of a social reformer. "Of the three classes in the agricultural community, each has his own grievance. The landlord says that he gets a poor return on his capital and that, consequently, he is frequently unable to keep his estate in a proper condition. The farmer in turn, finds labour becoming scarcer, foreign competition fiercer, and ejectment more likely, as estates are being sold with increasing frequency,

(1) Issues of June 1914 and September 1915, and the present issue

while he has, as ever, to face the possibility of a bad harvest and unfavourable weather, with their attendant loss of capital. These grievances are serious enough to the individual and we do not wish to minimise them, but they are not, as the grievances of the agricultural labourer undoubtedly are, serious to the nation at large. The landowner and farmer have at least good houses and ample food, and their children have enough food and clothing to make and keep them strong and healthy, even if rents and profits are not what they should be; but we certainly cannot say this about the agricultural labourer and those dependent upon him. Moreover, it is possible to argue that low rents, foreign competition and a scarcity of agricultural labour are beneficial to other sections of the community, but no one has the hardihood to assert that the insufficient diet, the bad housing, and the scanty clothing of a large part of the dwellers in the country districts are of the slightest benefit to any one. The land question in the country, then, centres around the condition of the agricultural labourer."

Closely connected with the Land Question are those of Housing and Means of Communication which are dealt with in another chapter. "A thickly-populated country," says the Year-Book, "wants many houses for its people and there is an intimate connection between house and land. Land of some sort is indispensable, but a civilized country wants, or ought to want, more than this. The land on which the houses stand should fulfil two great conditions. Its situation should be good in itself and good in relation to the occupations of its inhabitants. It should be sufficient, both in quality and quantity, to give those who live upon it a good and ample supply of light and air, and its soil should be dry and in general suitable for building purposes; and it should be so situated that its inhabitants can get to and from their work without undue fatigue or undue loss of time. This last consideration brings in the question of means of communication. A cheap, frequent, and rapid system of transport is necessary to stimulate the agricultural industry and to enable the people to live amid healthy surroundings."

Many other questions connected with agricultural economy are dealt with in the Year-Book. In the chapter on Production and Wealth, a long section is given to Agriculture, and the efforts, governmental and private, which have been made to increase agricultural production are described. The wages of agricultural labour are dealt with in the chapter on the Land Question, but in that entitled "Labour and Wages" there is a section relating to Agricultural Co-operation. Other subjects treated at length are Old Age Pensions and the Working of the National Insurance Acts, both of which have an important bearing upon the economic condition of the agricultural labourer.

How can Women Help to Promote Rural Interests through the Co-operative Movement. Correspondence published in "Co-operation in Agriculture," London, July-August, 1915.

Women's Part in Country Life. Leading article in "Co-operation in Agriculture," London, July-August, 1915.

The writers of the interesting series of letters published in the July-August number of "Co-operation in Agriculture" have by no means confined themselves to the restricted subject proposed to them and the title of the leading article on the correspondence gives a juster idea of the problem dealt with.

As treated in the letters the problem has two distinct aspects — "What can be done to improve the position of country-women?" and "What can women do to promote the general welfare of the country districts?"

The former of these questions is one which has arisen in many countries, but more especially in the newer countries, such as the United States and Canada, where the rural districts are still thinly populated. Even in the older countries, where the rural population is more dense and there is generally easy access to some neighbouring town, the position of women in country districts calls for special consideration. The "dulness of country life" is proverbial and the problem really resolves itself into the question "How can greater opportunities of social intercourse, of recreation and of self-improvement be brought within the reach of country women?" It is interesting to note that the most definite suggestion put forward is the organisation of a system of "women's institutes" similar to that which has proved so successful in Canada.

Perhaps if one aspect of the problem could be solved, the solution of the other aspect would follow, and one writer shows clearly that she regards the question as a moral, rather than an economic one. "Each woman must learn she has something to give; the best rose grower can make her village famous for roses, the noted bread maker can teach her art to her less gifted sister, the woman to whom books mean an escape from the drudgery of life must help others to the enchanted region, so that a solitary pride of individual possession will give way to the delight of imparting knowledge that will help others to enjoy good achievements."

From the economic point of view the principal suggestions put forward are that women should take a larger direct part in the cultivation of the land and that they should develop more largely those minor industries of the farm — poultry-keeping, fruit and vegetable growing, bee-keeping, etc. — which have always been to a great extent in their hands. This would enable them to take a more influential position than they at present occupy in any undertaking (such, for example, as agricultural co-operative societies) which aim at the economic betterment of the rural districts.

In so far as co-operation is concerned one writer remarks that the English farmer's wife is seldom really interested in helping to dispose of the farm produce; she seems to leave that entirely to her husband. Another,

following out the same idea, urges that co-operation in country districts should be extended to the supply of food stuffs, and adds: " Make it clear to the women that in some line of work undertaken in conjunction with their neighbours, it may be possible for them to give the means to promote the welfare of their children, to give the latter a better start in life and a prospect of greater ease than they themselves enjoyed and they will not be slower, but probably quicker than the men to find courage and resolution for the experiment. " The activity of the Women's Co-operative Guilds in the towns is noted by yet another writer as worthy of imitation in the country, " but ", she says " they centre round the co-operative shop, and unless the latter can first be started, there does not seem to be any way of setting a branch of the Guild on foot."

GREECE.

PAPAGEORGHION (PELEUS), Director of the Royal Agricultural Society of Greece: AGRICULTURAL GREECE. Athens, 1915. The " Hestia " Printing Office. 8°, 92 pp. 5 maps.

This brochure, written in English under the directions of the Committee of the Greek Section of the Panama Pacific International Exhibition, which was held this year at San Francisco, contains a comprehensive outline of Greek agriculture, both from the technical and from the economic point of veiw.

In Greece, we are told, both small and large holdings are to be found, but the prevailing system is that of small holdings. Typical districts where the cultivation is carried on by small proprietors are the Peloponnesos (Morea) and the Islands of the Aegean and Ionian Seas. Large holdings exist in Thessaly and Macedonia, and are cultivated in a few cases by the owners. More generally, however, they are managed on the métayer system or leased to farmers.

The author, who inclines to the view that both large and small holdings are indispensable to the agricultural economy of the country, remarks that large proprietorship has contributed greatly to agricultural development in Greece, since only large landowners have sufficient capital to introduce modern implements and new methods of cultivation. He notes, however, the growing tendency of the small holders to combine, and the encouragement given to them by recent legislation to form agricultural co-operative societies.

Old as the country is, Greece has yet its problem of colonisation, since it endeavours to provide land for many Greek refugees from neighbouring countries. In Thessaly, in particular, which was only thinly populated, many families have received an adequate portion of land, a cottage, a pair of oxen, ploughs, seed, etc., the payment for which will be spread over a period of years.

RUGGERI ALFREDO, gerente responsabile.

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Part I: Co-operation and Association

DENMARK.

CO-OPERATIVE DAIRIES IN DENMARK (*Continued*).

(*This Article has been prepared at our request by the Danish Bureau for the International Institute of Agriculture*).

§ 3. Co-operative management.

The daily business is conducted by the technical manager (*Mejeristen*), who is now as a rule a trained specialist. In the early years of the co-operative dairies this was not the case and in many places it is not so even now. The younger technical managers have, however, always received thorough instruction, since they have first been employed as apprentices in dairies and have then attended dairy schools. Three fourths of all the technical dairy managers have had an education of this kind.

The technical managers are organized in a technical dairy managers' union (*Dansk Mejeristforening*) for the whole country, which counts almost all the technical managers among its members. This union was founded in 1887. Its object is the development of the Danish dairy industry in general and especially the better instruction of all engaged in it and the encouragement of their collaboration with each other. In accordance with this idea, the union not only protects the interests of the technical dairy managers, but to an even greater degree exerts an important action in many ways for the advance of the dairy industry, of which we shall speak hereafter. The union is divided into 26 local circles each with its board of management independently conducting the business of the circle in accordance with the rules of the union. The organ of the union is the weekly paper "Moelkeritidende."

The technical manager is generally paid in proportion to the amount of milk received in the dairy and usually has an interest in the business. Frequently he is paid, as if he supplied a certain number of kilograms of milk per 1,000 kgs. of the milk received, at the average price the dairy receives for its milk. Out of his receipts he has usually to pay a certain percentage for consumption of fuel, light, use of furniture and other current working expenses.

The technical manager himself appoints the assistants he requires and pays them out of his own pocket.

The average receipts of a manager are, according to the returns of the Statistical Department, about 3,800 cr. a year ; besides this he has free quarters. When he has paid his assistants, he has about 1,950 cr. net income, independent of his free quarters. The payment varies extraordinarily, not only in its amount, but also in relation to the importance of the dairies.

Both the Dairy Managers' Union and the dairy unions have been working in recent years for the regulation of the conditions of payment and the grant of higher salaries, and their efforts have already had good results. Moreover, what was certainly highly important was that the dairy unions themselves encouraged the idea and took the initiative in fixing a scale of remuneration, which is gradually being accepted as establishing the minimum of payment.

The Dairy Managers' Union has also been working to give the education of the apprentices a more substantial foundation and arrange for its supervision, by the appointment of a committee to examine if the course of instruction has been regularly followed in such a way that the learner has had opportunity of making himself acquainted with the various branches of the work and that a certificate has been given him.

In the co-operative dairies, the work of butter making is of quite the most importance, as the following table reproduced from the Dairy Statistics of 1913 will show.

Utilised for	Whole Milk Received — %	Separated Milk and Butter Milk — %
Sale	0.5	2.2
Cheese Making	0.5	4.3
Butter Making	99.0	—
Returned to Members	—	93.5

It is only in urban dairies and in those in the neighbourhood of Copenhagen that the sale of milk is of any importance. Some dairies, especially those on the frontier, export cream to the German dairies.

Cheesemaking decreased considerably in the first years of the co-operative dairies and still is far from having the development and importance it had under the older conditions of Danish dairy farming. It is for the most part limited to coarse kinds intended for the home market. But cheesemaking is of considerably greater importance in the dairies of the large landowners and in the dairies worked in common, where it is not easy to utilise the milk in any other way. Even amongst the co-operative dairies we may now observe a growing interest in cheesemaking. The Dairy Managers' Union has especially begun to exert itself in favour of the increased manufacture, by means of the systematic holding of exhibitions and in connection with them, the classification of the different qualities of cheese and experiments in cheesemaking and the keeping of cheese. In 1901 a special committee was appointed for the organisation of co-ordinated and scientific experiments in cheesemaking. It aims at establishing a special scale of points, and its efforts are centred on the determination of a kind of cheese suited to the English market. If the result is satisfactory, it is probable that cheesemaking will assume very much more importance for Danish dairies.

These efforts are encouraged by the State by means of subventions to the cheese shows and the payment of the salary of an expert.

But cheesemaking can hardly become more than a profitable auxiliary industry. Buttermaking predominates, and from the first every effort was made for the adoption of the most economical methods, the production of an article as fine and as uniform as possible and possessing the best possible keeping qualities, and for securing the best possible conditions of sale. This effort has succeeded to such a degree that Danish butter is so uniform that it can be placed on the market under a single trade mark (*Lurmaerke*).

The dairy industry finds a great support, in this connection, in the series of experiments in dairying, which are carried out in the Laboratory for Agricultural Experiments of the Royal Veterinary and Agricultural Academy. In this way a succession of important improvements have been attained, and in addition the dairies have, by means of innumerable experiments for the purpose of comparing and judging the various kinds of apparatus constructed for the requirements of dairies, obtained guidance both in respect to the purchase of machinery and to the use of it. In like manner experiments in regard to the ripening of cream led to the application of pure cultures of lactic acid bacteria. Experiments in regard to the preventive effects of pasteurising on defects in butter, carried out in 1891, induced almost all the dairies to begin pasteurising their cream, within the next few years, with the object of giving their butter the best possible keeping qualities and rendering it as even as possible. In most places the separated milk had been already earlier pasteurised, so that the members might receive it back in a utilisable condition. Pasteurisation both of the separated milk and the butter milk was first ordered by law in 1898 and that of cream for production of butter for export first in 1904, after practically all dairies had adopted this process of their own accord.

A very effectual incentive was given to the efforts to make Danish butter, a first class, uniform commercial article, by the butter shows, of which there are three different kinds ; the legally established Butter competitions of the Experimental Laboratory, the local shows of butter in casks (*Böttendstillinger*) and the large annual provincial shows.

Since 1889, a continuous succession of butter shows has been held at the experimental laboratory of the Veterinary and Agricultural Academy. These shows have acquired great credit in dairy farming circles and have had a continually larger number of adherents, so that on January 1st., 1912, 1,078 dairies were represented at them. On January 22nd., 1912, these shows became compulsory under the Law of April 12th., 1911, on trade in butter and foreign agricultural produce, etc. The exhibiting dairies are summoned to submit their butter for examination by the judges regularly three times a year. They must at once send a "drittel" (100 kilos.) of the day's output of butter. This is then kept 14 days before it is judged. The names of those dairies which are judged to have sent the best butter are published. The dairies the butter from which is judged to be bad are warned that they run the risk of forfeiting the right to use the "Lurmærke." and receive instructions to seek advice from the Government expert. If there is no improvement, the dairy will really lose the above mentioned right.

The shows of butter in casks are local shows, which as a rule are meant for the dairies in a single circle of the Dairy Managers' Union. They were originally arranged by this Union, and later on by the dairy unions also. In each circle from 6 to 12 shows are held a year, at which the butter of the several dairies is compared and judged by a committee of judges, consisting of the technical managers, butter exporters and the local dairy expert. The butter is kept 14 days before it is judged; the exhibitors do not know beforehand the day on which they will be invited to send in their exhibit. The several dairies are informed privately of the results of the judging. At the end of the year the names of those dairies are published that were judged to have forwarded the best butter, or the produce of which in the course of the year did not fall below a certain standard.

The original object of these shows was only to give the dairy managers a better knowledge of butter produce, since it was rightly considered that the quality, on which the price depends, must be judged by the consumer alone. So the dairy managers in rotation took part in judging under the direction of experienced men and specialists. This system, continued for years, has brought it about that most of the Danish dairy managers have now a good and solid knowledge of the produce in question. But it was soon apparent that these shows might have advantages of another kind. Through them the dairy managers had an opportunity of inspecting and examining the produce of other dairies, of discussing the various questions of importance for their business with competent persons and taking council with them. In connection with the shows lectures were delivered and discussions opened on matters relating to dairy farming,

especially to butter production and they have proved themselves generally to be an excellent means of instruction. At the same time these frequent examinations as well as the experiments of the laboratories are a potent incentive to the removal of defects and the improvement of the quality of butter generally.

In addition to these local shows, in the three principal regions of the country larger butter and cheese exhibitions are annually held. Only those dairies that have exhibited at all the shows of butter in casks held in their region are allowed to exhibit. Manufacturers of dairy machinery also exhibit at them. The character of these shows is above all competitive. Medals and honourable mentions are awarded. Altogether their purpose is rather to excite public interest than to assist the ordinary work and on this account they have been attacked as useless, yet hardly fairly; for they are certainly not without real importance; in any case the merchants are agreed that the butter before and after the shows is better than at other times.

Whilst the shows have made it possible to compare the produce of the various dairies and in this way have assisted in obtaining a uniform and good quality of butter, the dairy statistical returns, making possible a comparison of the working expenses, profit and prices obtained, have been perhaps of no less importance. They have favoured the adoption of the most economical system of working and the attainment of a uniformly good price for the butter.

Already since 1884, in the earliest years of co-operative dairying, in the desire to ascertain the working expenses and net yield of the dairies led to the collection and publication of the balance sheets, and since a comparison within the limits of so uniform and special a field necessarily proved in a high degree instructive, its interest for dairy circles was considerable and the statistics were continued and extended. When the dairy unions were founded they made it one of their duties to collect and publish dairy balance sheets and some of them systematically elaborated the material collected.

The unfavourable butter quotations led to the weekly publication since 1894 of local reports of the prices of butter received, so that each individual dairy might see if it had received prices in proportion to those received by other dairies.

Since 1903 balance sheets from all parts of the country have been submitted to a common systematic elaboration. A Special Committee for Dairy Statistics consisting of representatives of the Central Organization of the Dairy Unions and of the Managers' Union, has been charged with the work and the State gives subventions for the elaboration of the material and its publication. The number of dairies that support this undertaking and have sent in their balance sheets has constantly increased; they now number more than 700.

On the basis of these statistical returns we shall now give a more detailed account of the situation of the dairies and their development in recent years.

The average number of milk-suppliers per dairy in 1913 was 157, the number of cows, 958. The amount for which the dairies were insured against fire, which to some extent corresponds with that of the invested capital, was on an average 33,212 cr. Consequently, the value of the capital invested in all Danish dairies must amount to about 40,000,000 crs. The debt still due per dairy was 16,315 cr. The gross yearly receipts per dairy were 273,306 crs. Out of these receipts, on an average, 36,948 crs. were distributed as bonus, the balance of the net profits being discounted and distributed in monthly instalments to the suppliers.

The amount of milk supplied to the dairies per cow per year was 2,621 kgs. (To arrive at the actual yield of milk, we must add that utilised for household purposes, which may be reckoned at probably 10 %). This figure has steadily risen, partly owing to better feeding and partly to a remarkable improvement in the quality of the stock.

The average annual yield per cow has been:

Year		Kg.
1884	about	1,250 - 1,500
1888	»	1 750
1898	»	1,975
1903	»	2,425
1908	»	2,675
1913	»	2,621

This increase, together with the increase in the number of cows, which was in 1881 900,000 and in 1913 1,300,000, has given the dairies, in spite of the fact that they are continually increasing in number, always more milk to treat. According to the industrial census of 1906, the amount of milk treated per dairy was about 2,130,000 kgs; according to the dairy statistics of 1913 it was 2,510,000 kgs.

At the same time, success has gradually been attained in the better utilization of the milk. The average quantity of milk required to make a kilogram of butter has steadily decreased.

The amount of milk per kg. of butter was:

Year	Kg.
1898	26.5
1903	25.6
1908	25.6
1913	25.3

If we carried our investigations still further back, we should find a still greater difference.

The gross amount received for the butter made from 1,000 kg. of milk was in 1913, 84.12 crs., and the corresponding working expenses 887.8 öre. Reckoning, as is customary, the separated milk and butter milk returned to members at 2 öre per kg., the whole milk yielded on an average 9.5 öre net per kg.

The working expenses per 1,000 kgs. of whole milk were distributed as follows:

	Öre
Carriage of Milk	340.8
Fuel	104.2
Remuneration to Manager and Assistants	155.0
Upkeep of Building	12.6
Upkeep and Renewal of Plant	40.8
Other Expenses	234.4
Total	887.8

The amount of these items of expenditure of course varies very greatly not only in the dairies as compared with one another, but also in the various districts of the country and in dairies of different sizes. For example, the cost of carriage must necessarily vary, according as the suppliers live at greater or less distances from each other. In isolated thinly peopled *Aemter* (1), it is quite 4 or 5 crs. per 1,000 kg; in others more densely populated only from 2 to 3 crs. Characteristic differences appear also in the different districts in respect to the cost of installation and the interest on it, the greater or less wealth of the population, or even their spirit of economy, making itself felt in the matter of the installation.

The difference in the working expenses of the large and small dairies is of great interest. Leaving out of consideration such expenses as are not borne by all dairies, such as expenditure for carts, cans (for transport), cheesemaking and small consignments, we find that the working expenses reduced in this way will give us in some degree a true and reliable idea of the effect of the size of the dairy. The results of the comparison of the working expenses of dairies of different sizes are shown in the following Table:

(1) Denmark is divided for administrative purposes into "Aemter."

Reduced Working Expenses (inclusive of Carriage of Milk) per 1,000 kgs.

	Öre per 1,000 kgs.
3,000,000 kgs. and over	820.4
From 2,500,000 kgs. to 3,000,000 kgs. . . .	848.6
" 2,000,000 " " 2,500,000 " . . .	864.6
" 1,500,000 " " 2,000,000 " . . .	881.6
" 1,000,000 " " 1,500,000 " . . .	937.2
Less than 1,000,000 kgs.	1,101.2

The working expenses are thus considerably less for the large dairies than for the small ones, and they are especially heavy for quite small dairies. On the contrary there is no difference in regard to the quantity of milk required to make a kilogram of butter, nor in regard to the price of butter, as between large and small dairies.

The individual differences may also be exceedingly great in certain directions, even in cases in which special circumstances only come into consideration in a small degree and even taking account of the difference in size of the dairies. In respect to a single item, the cost of fuel, the following table shows how great the difference may be and what immense progress is possible in this direction.

Average Expenditure on Fuel in Crowns per 1,000 kgs. of Milk from one quarter of the Dairies with Maximum and Minimum Consumption of Coal.

Dairies receiving a Quantity of Milk of	One quarter of Dairies with Maximum Consumption of Coal	One quarter of Dairies with Minimum Consumption of Coal	Total Number of Dairies
Over 3,000,000 kgs.	112	72	90
From 2,500,000 kgs. to 3,000,000 kgs. . . .	120	78	98
» 2,000,000 » » 2,500,000 » . . .	124	82	102
» 1,500,000 » » 2,000,000 » . . .	136	90	112
» 1,000,000 » » 1,500,000 » . . .	152	91	124
Under 1,000,000 kgs.	236	122	170

We see that the individual differences are greater among the small dairies, and this is generally true.

In these directions the dairy statistics have had particular importance, as they have shown the individual dairies their special faults and have incited them to emulate those more advanced.

§ 4. Export of the butter of the co-operative dairies.

The total export of Danish dairy produce in 1913 amounted to 223,000,000 cr. Of this 22,500,000 cr. represented milk and cream exported to Germany, and 200,000,000 crs. butter, altogether about 91,000,000 kgs. By far the largest proportion of butter, as is shown in the following table, was shipped to Great Britain:

Export of Danish Butter (in "Dritteln" of 100 kgs).

To	1913	1912	1911	1910
Great Britain	812,867	752,575	797,550	811,426
Austria-Hungary	42,928	31,333	17,887	7,425
Germany	12,408	27,124	39,050	25,950
Switzerland	2,229	2,031	1,383	284
Other Countries	468	669		
Total	870,900	813,732	855,870	855,085

For easier sale on the British Market most of the Danish butter is packed in "*Dritteln*" of 100 kgs. net. A small quantity (about 1,000,000 kgs. in 1913) is exported in boxes, principally to England, and a somewhat more important quantity (in 1913 about 3,000,000 kgs.) in air tight packages to many different, especially oversea, countries.

Danish butter has a firm place on the English market, as Denmark provides quite $^2/_5$ ths. of the total amount of the butter imported there and twice as much as Australia, the country next in importance as a supplier of butter, can furnish. Its position in the market is rendered even more firm by the fact that Danish butter is so uniform in quality and quantity as compared with that of other countries. There is only a slight difference between the butter of the various dairies, and an almost equal amount is produced every week throughout the year. As a first class product it is also less affected by falling prices than inferior goods. The butter also, thanks to the efficiency of the Danish tradesmen has become universally known in England, so that even Irish dairies purchase Danish

butter to supplement their own production and retain their customers during the season when they themselves are not in a position to supply them.

The Danish exporters have keen competitors in the large English importers, and since Danish butter is often utilised by the retail dealers as an advertisement and sold without a profit, the middlemen's profit is generally reduced to a minimum, so that the dairies receive a very high price for their butter in comparison with the retail price in England.

The butter is generally sold f. o. b. at the Copenhagen Quotation, which, accordingly, is of extremely great importance. It is fixed on the Copenhagen Exchange by a Butter Quotation Committee composed of wholesale butter merchants. For some years also farmers were represented on this committee, but this is no longer the case. The farmers have now their own quotations.

This matter of quotations for years presented serious difficulties. The quotation did not correspond with the prices actually paid, since the competition among the purchasers led to the payment of overprices, in which the dairy managers had a great interest, since a part of their income depended upon the overprices received. In reality, the effect was to lower the quotation. Repeated attempts were made to remedy the evil, by including the overprice, but every time the inclusion was treated as a real rise in price and as such charged against the buyers, while the overprices continued to exist. These unjustified and disproportionate increases in price excited great dissatisfaction in England. At one time the English merchants quite ceased to buy at Copenhagen quotations, so that these were for a time quite disregarded.

Another result of the system of overprices was that the individual dairies could not learn from the quotation the real ordinary price of butter, which weakened their position in regard to the buyers. On their part, also, the farmers considered the overprices as a menace for the quality of the butter, since these overprices were nominally only paid for specially fine butter, whilst in fact they were everywhere general.

In order to provide a sort of check on the purchases of butter and on the prices paid, weekly returns now began to be made of the prices received by each of the dairies and from these the price of fine butter was estimated. These butter price statistical returns, as they were called, were first started by the farmers' unions in 1894, but soon afterwards were imitated and extended by the newly founded dairy unions; these at first undertook the work each in its own district, but when they had united in a common association they established a common butter price statistical office for the whole country. In 1903 the work was entrusted to the Dairy Statistics Office.

Attempts were made to regulate the matter of quotations by means of various reforms, a continual endeavour being made to increase the influence of the farmers in establishing the quotations. But there was, however, no success in introducing a scientific basis. The quotation, on account of the overprice, continued low and unstable. In 1912 all co-operation between

the farmers and the wholesale dealers in this field came to an end. The farmers started their own quotation. So there are now two quotations, that of the wholesale dealers, established in accordance with news of the changes in the trade conditions in England, and that of the farmers, which is based on the information furnished by the butter price statistical returns in regard to the prices asked and received.

This arrangement has proved successful, for the two quotations do not differ greatly and complete and correct each other, so that a continual increase in the overprices is prevented.

Another danger by which the position of Danish butter in the English market was threatened was the Danish transit trade in butter from Sweden, Finland and Siberia, where Danish merchants have established an important butter industry. This butter, which was less uniform and of considerably inferior quality, was often sold in England as Danish butter or in any case so considered by the purchasers and in this way the reputation of Danish butter suffered.

This excited the wish for a common national trademark for all Danish butter. However the fear of damaging the profitable transit trade prevented legislation to that effect, and so for a long time the realisation of the idea was postponed. Finally an indirect means of realising the desire was found, indeed, with the help of the existing laws, as a single dairy requested authorisation to use a trademark and then gave other dairies the right to use it, while at the same time they bound themselves to take legal measures against any unauthorized use of it. On this basis the "Butter Trade Mark Union of Danish Dairies" was founded in 1900, and in a few years it included all the co-operative dairies. The butter trade mark, called *Lurmaerke*, consists of four old Scandinavian battle trumpets (*Lur*) interlaced. The merchants showed themselves favourable to this arrangement, which had been carried out voluntarily. It became also evident that the trademark had a good effect on the sale in England and as a result of a few prosecutions, the unauthorized use of the trademark was put a stop to. It was therefore desired to obtain a more sure position for the trademark in Denmark and greater consideration for it abroad, by getting legal sanction for it and placing it to a greater degree under the protection of the Government. By the Law of March 30th., 1906, on trade in agricultural produce and its exportation, the *Lurmaerke* was imposed as the common legal trademark for the country for all Danish butter and by the Law of 1911 on the trade in foreign butter and agricultural produce its position was still better assured, it being prohibited to export butter except under this trademark.

Finally in 1912 it was officially recognised in England, through the action of the Danish Department for Agriculture, as the common trademark for Denmark, and efforts are now being made to give it similar protection in other countries and also to obtain international recognition of this kind of national trademarks.

There is no doubt that the *Lurmærke* is very important, and the idea has been adopted in other countries; so Sweden has the *Runenmarke* for

Swedish butter and Ireland has introduced an old Irish emblem for Irish butter.

Considerable difficulties were put in the way of the export of butter by the English Butter and Margarine Act of 1907, Section 5 of which forbade the import and sale of butter containing more than 16 % water and imposed fines and provided for the confiscation of all the butter bearing the same trademark in case of contravention. Attempt was first made to induce all the dairies to make their butter conform exactly with the requirements of the English law, since the Dairy Managers' Union strongly desired to avoid legal compulsion. But as the object could not be attained in this way, the Law of 1911, in accordance with the joint desire of the dairy unions and the managers' unions, forbade under pain of fines the export of butter containing more than 16 % water, and the use of the *Lurmærke* for such butter.

The Department of Agriculture can, on the recommendation of the Central Dairy Organization, order those dairies that desire to be authorized to use the *Lurmærke* to enter their butter for the butter competitions organised in accordance with the law by the agricultural experiment laboratories and for the shows instituted by the dairy organizations.

Most of the export is in the hands of Danish wholesale butter merchants and British wholesale importers, but the Butter Export Unions also export considerably ; as we have mentioned, six of them at the beginning of 1915, with an annual sale of about 43,000,000 crowns, exported about one fifth of the total amount of butter exported. That these Unions have not increased more largely is due to the keen competition between the wholesale dealers and the English buyers, which considerably reduced the middlemen's profits, and thereby made the existence of such export unions less necessary. For all that, these unions are very important, since they serve to increase competition and especially in recent years have they been of no less importance in the matter of the quotation problem, as they have supported the farmers' quotation, which is usually a little higher than that of the wholesale dealers. The export unions have been guided in their purchases by the farmers' quotations and thereby have compelled the wholesale dealers to follow the example, if not formally, yet generally virtually, through a supplementary adjustment of the difference between the wholesale dealers' quotation and that of the Statistical Committee. Moreover, they have supplied the quotation committee with information in regard to the conditions of the market and contribute to make the quotations as reliable as possible.

Hence it comes that the export unions seem to provide the most effectual means for obtaining payments really in accordance with the quality of the butter, which would be of the greatest importance for the production of butter. In the present conditions of the butter trade, these unions are certainly of the greatest importance in this connection.

§ 5. The importance of the co-operative dairies, from the economic, social and educational point of view.

The co-operative dairies have raised the price of the butter for the farmers by between 40 and 60 öre per kg. In this simple fact is the key to an understanding of their economic and social importance. This difference in price existed, at the beginning of the ten years 1880-1890, between the butter of the large landowners and that of the peasants. The co-operative dairies have caused the difference to disappear, not only by making the peasants' butter as good as that of the large landowners, but it was seen about the middle of the period 1890-1900 at the shows, that the butter of the co-operative societies was superior in quality, and on the market there was a corresponding difference in prices in favour of the co-operative dairies. At the same time, there was a large reduction in the number of estate dairies, which is the best proof of the economic superiority of the co-operative dairies, and shows that they have taken the leading position in the field of dairying.

It was necessary to eliminate the above difference of price in order that the peasants might advantageously combine with those large landowners who were now abandoning the cultivation and sale of grain for stock-raising and the sale of dairy produce and it would not be wrong attribute to the co-operative dairies the principal merit of the progress realised by Danish agriculture in recent years. This progress might be considered from various sides; its best results are seen in the immense increase of the agricultural exports, which has been one of its effects.

The excess of exports over imports of butter, together with milk and cream, calculated, according to the proportion of butter-fat contained, as if they had been converted into butter, was as follows:

Year	Millions of kilograms	Millions of crowns
Average 1881-1885	11.8	22.6
» 1886-1890	24.4	43.4
» 1891-1895	37.8	69.3
» 1896-1900	51.7	98.0
» 1901-1905	74.8	136.4
» 1906-1910	86.5	176.6
1911	94.6	203.1
1912	92.9	207.4
1913	98.6	217.5

Thus the excess of exports over imports in the 30 years since the introduction of co-operative dairying has increased tenfold, a result due to several concomitant causes. In the first place it is to be attributed to the increase in the stock of cows, due to the high prices fetched by butter.

The number of dairy cows was:

1881	898,790
1888	954,250
1893	1,011,098
1898	1,067,265
1903	1,089,073
1909	1,281,974
1914	1,310,268

Of still greater importance was the improvement in the quality of the stock which gradually took place. This, together with more nutritious feeding, led to the result that the yield of milk per cow increased in even greater proportion than the number of cows, that is to say from about 1,750 kgs. in 1888 to 2,621 kgs. in 1913.

Finally, it must be mentioned that there has been an increasing use of margarine in place of the home made butter in the country, which, likewise, has contributed to increase the export of butter.

Together with this increased exportation of butter there was also an increase in the export of pig-meat (bacon, etc.), which in any case must be considered to a large degree as a by-product of the dairies.

The export of pig-meat was:

Year	Millions of crowns
Average 1881-1885	27.4
» 1891-1895	41.6
» 1901-1905	71.7
» 1906-1910	100.2
1911	119.9
1912	145.0
1913	160.3

It has thus increased sixfold.

The change in the character of agricultural production and the immense increase in the production of animal produce have together resulted in changing Denmark from a fairly large exporter of cereals to a large and increasingly large importer of cereals and cattle foods, and this fact should not be lost sight of this in our estimate of the economic importance of the co-operative dairies for Denmark. But the following table will show that this increased importation is far from keeping pace with the increasing export of animal produce, and that the result is an increasingly large excess of exports of agricultural produce over imports of agricultural produce.

Excess of Exports over Imports, compared with the Excess of Imports over Exports, of the Principal Classes of Agricultural Produce and Agricultural Requirements.

	Excess of Exports over Imports			Excess of Imports over Exports			Total Excess of Exports over Imports
	Livestock	Food Stuffs of Animal Origin	Other Food Stuffs	Cereals	Cattle Feeds	Seeds and Manure	
	Millions of crowns.						
1881–85 (average) . .	49.8	29.4	5.3	3.1	8.1	5.8	73.6
1886–90	34.5	63.7	5.8	10.3	13.4	6.3	74.0
1891–95	33.4	105.4	4.6	24.8	15.5	7.1	96.0
1896–1900	19.2	161.8	4.1	46.4	19.8	4.8	113.1
1901–05	28.4	229.2	4.1	61.2	39.0	10.4	151.1
1906–10	35.1	297.8	7.1	77.8	57.7	16.6	187.9
1911	50.1	359.4	11.2	78.7	61.7	17.4	262.9
1912	45.7	402.5	15.4	101.3	75.8	22.2	264.3
1913	58.7	427.1	12.8	101.7	82.3	21.8	292.8

If the co-operative dairies have been of enormous economic importance for Denmark, this, considered from another point of view, is only a proof that they have accomplished their social work brilliantly. For this progress of agriculture and agricultural exportation only became possible through the association of the co-operative dairies with the co-operative organizations, which resulted in the small producers — the great mass of the rural population — sharing in the advantages of the large farmers, and that in a country and at a time when this had become for the small farmers in the most literal sense a condition of their existence.

How far this might have happened under other conditions, is perhaps still open to discussion; it is at any rate certain that the dairies worked in common (*Faellesmejeriene*) would have required a considerable time to bring about the change, and during this period of transition there would have been a crisis that would have made Danish agriculture languish and would have been fatal for the small farmers. Indeed the co-operative dairies could not prevent rural land falling in price, as a result of the lower prices of grain, but they protected the farmers, and particularly the small holders, from the baneful consequences, as they rendered possible a kind of production, for which the economic return of the soil was of somewhat less importance and livestock improvement and dairying played the most important part; so that the fall in price of the land meant no corresponding decrease of income for the farmer; on the contrary,

in the case of the very small farmers, it tended to increase. The progress which the co-operative dairies brought about both in respect to dairying and to agriculture generally, and which still further extended and secured the position the small Danish farmers had obtained, could have been realised under no other system, for it was for the most part the result of intense collaboration between the co-operative dairies, such as cannot be imagined among competitive undertakings, or was based on relations of confidence between the dairy and its suppliers such as private business undertakings cannot create.

To this it must be added that the co-operative dairies played an important part as precursors and examples for the numerous co-operative associations formed in other spheres, sometimes also giving them direct support; we must specially mention in this connection the co-operative bacon factories and feeding-stuffs societies.

Hence the co-operative dairies may claim the chief merit for the fact that the small farmers were placed in a position to obtain also in other departments the economic and technical advantages enjoyed by the large farmers working on industrial lines.

From the social point of view, the co-operative dairies have contributed directly and indirectly to protect the numerous class of small farmers against a disastrous crisis, and assure their economic independence and comparative welfare. At the same time the progress accomplished has been so great that the smaller farmers in the future will have a prominent position not only in agriculture but in industry and social life generally.

In this last field it is not the least merit of the co-operative dairies that, in common with other associations, they have done much useful educational work among the country population. Through the claims the co-operative societies makes on the intelligence and capacity of the population, they have become an educational factor of the first importance, as well as by the fact that they encourage the population to associate voluntarily and effectively and submit to a common organization. In this respect, the co-operative movement is certainly in close relations of mutual influence with the educational theory that has found expression in the Danish popular high schools and agricultural schools. Both these classes of schools for young men are based substantially on a the same principle, and attempt to realise the twofold object of raising the moral and religious tone and increasing the vitality of the people, and also of developing their intellectual and technical capacity. To these schools is due a great deal of the merit that the co-operative movement has developed so rapidly and so brilliantly, as they provided the educational foundation, but, on the other hand, the co-operative movement has been one of the principal causes of the desire for education which has made itself in the Danish country population, and is apparent in the increasing number of young men who enter the high schools every year.

FRANCE.

AGRICULTURAL LABOURERS' TRADE UNIONS ACCORDING TO A RECENT PUBLICATION.

On the eve of the outbreak of the European war, Mons. A. Souchon Professor of Law in the University of Paris, published an important work entitled *La crise de la main d'oeuvre agricole en France* (1 vol. gr. in 8vo., pp. 552, Paris, Artur Rousseau, 1914).

This work, to the preparation of which much time was devoted, was doubly important, because M. Souchon had for a long time directed the studies of his pupils into the same channel. From this many interesting essays resulted, for instance that entitled *La protection légal des ouvriers de l'agriculture italienne* (Paris, 1913) by M. Léon Audoly. M. Souchon's book utilises and condenses all previous works on the subject, thus dispensing the student from the necessity of consulting them, though the author never fails to give the names of his authorities. He gives a complete summary of the condition of the question on the eve of the European war, *i.e.* just at the moment when this question must be considered as entering upon a new phase.

M. Souchon's work is in four parts: rural depopulation, agricultural strikes, the life of agricultural labourers, and their protection by law. We shall here speak only of trade unions among agricultural labourers.

§ 1. Woodcutters' syndicates.

Till the end of the 19th century the question of trade unions had never arisen among French agricultural labourers, and it seemed improbable that it would ever arise, because these labourers were isolated from one another, leading the same life as their employer, working with him and eating at his table. It was among the woodcutters of the central parts of France that the question first attracted attention. The position of these woodcutters seems to be somewhat peculiar. According to Mons. Souchon they are only employed in the woods for a part of the year, unlike those of other districts, for instance the Côte d'Or and the Vosges. During the months of November and December they are occupied in felling trees, and for a fortnight in spring in barking them. This trade not being exer-

cised continuously, a woodcutter must have other means of support. He is generally also an agricultural labourer. But in some woods especially those of Cher, factory hands or village tradesmen out of work are sometimes employed, not however by the proprietors, but by dealers in wood,—middlemen who date their origin from the later years of the Second Empire. Labour contracts between these dealers and the woodcutters are made after a special form according to an ancient custom. The employers do not select their workmen, but the dealers make known in the neighbouring villages the day on which the wood-cutting is to begin, and at the appointed time workmen from the neighbourhood present themselves and inquire what wages are to be paid These are always task-wages, and as soon as the amount is stated by the dealers anyone may come and set to work, claiming his share of payment at the end.

Now, as M. Souchon remarks, this plan may easily give rise to disputes. In the first place the woodcutters have a confused idea that the forest is their property by a sort of natural right, and in the powers delegated by the proprietors to the dealers, they are disposed to see an encroachment on their rights. Besides this, the character of middleman assumed by the dealers is not calculated to attract the sympathies of the workmen. Lastly, the labour in common brings together many men of different ideas among whom there are often factory workers already familiar with the syndicalist movement, thus adding to the causes of agitation.

Towards 1891 there was a considerable depreciation of wages, due in the first place to the great number of dealers and the consequent competition which obliged them to pay high prices to the proprietors and to recoup themselves by economising in wages. In the second place there was less demand for wood, owing to various causes, but chiefly to the decline of merchant shipping and the substitution of iron for wood in naval construction. With regard to wood for burning, its consumption was reduced through the competition in new appliances in which coal was used.

The insufficiency of wages led to strikes, the first of which were not planned by any pre-existing organisation, but during the cessation of work syndicates were constituted. In June, 1892, fifty syndicates in the department of Cher alone met in a congress, and claimed to represent more than 6,000 workmen. In the course of two seasons, 1891-92 and 1892-93, the workmen succeeded in having their wages nearly doubled.

The agitation spread to Nièvre in 1892 ad there also resulted in the constitution of syndicates.

But here the movement stopped, for reasons well explained by M. Souchon. Of these, the first was the very result obtained, so far beyond the highest hopes that the workmen did not see the necessity of continuing to belong to associations which seemed to have no further object. Besides, the syndicates had enemies even among the woodcutters, who made an active propaganda against them, encouraged by the proprietors. At first the difficulties directly affecting the dealers in wood seemed to have no interest for the proprietors, but they soon perceived that the strikes would naturally increase the cost of cutting the wood and

thus diminish the offers of the dealers, while the syndicates of woodcutters had proclaimed their intention to extend their demands to all agricultural labour. This was enough to cause much uneasiness and to evoke a desire for self defence But soon the syndicates had difficulties from within with regard to subscriptions. In summer when the workmen were no longer in the forest they neglected to pay their quota, and when the season came round again they found it hard to pay up their arrears.

Thus the syndicates rapidly disappeared, but in 1902 under the auspices of the General Labour Confederation, the Labour Exchange of Bourges organised a congress of woodcutters at which the foundation was laid of a *National Federation of Labourers on the Land*. At present this federation comprises 170 syndicates, of which the greater number belong to the central forests (66 in Cher, 26 in Nièvre, 15 in Indre, 15 in Yonne, 14 in Allier). There are also groups belonging to the federation in the most widely separated districts, and except Morvan and the Vosges, there are few forest districts unrepresented.

The woodcutters' syndicates acted not only through strikes but also tried to work by appealing to the force of the law and by the extension of co-operation, but M. Souchon believes that these efforts were merely secondary. They sought legal intervention to secure the extension of the laws respecting the labour of women and children to agriculture, to claim for labourers in the State forests the application of the decrees of the 11th October, 1899, respecting State contractors, and to obtain the appointment of agricultural experts. The syndicates have often demanded that the State should manage its own forests directly through its own agents, the exclusion of dealers facilitating the formation of co-operative societies of woodcutters. The woodcutters' syndicates have in fact taken up the question of co-operation, and in 1905 at their annual congress, they drew up a vast programme of co-operation for consumption and for production on a basis of communism. Souchon considers that hitherto the results have been very small. With regard to consumers' co-operation he refers to the *Fraternelle* of La Guerche, and the *France Bûcheronne* of Jussy-le-Chaudrier. As to production, only one interesting effort has been made, that of the syndicate of *Chateauneuf-Val-de-Bargis* in Nièvre.

Every year collective contracts are drawn up in the following manner. Three or four months before the wood-cutting begins the syndicates send delegates to their various districts to bring back a list of prices for all the work to be done. This list is examined by the bureau of the syndicate and serves to fix a tariff, but each group has its own tariff according to the differences in labour conditions.

These tariffs are made known to those concerned by means of placards, insertion in the local papers or notifications to proprietors, among whom the State is included. Dealers are thus informed of the claims of the workmen before purchasing standing trees from private individuals or sending in a tender at a public auction. When the time has come to set to work the employers make their offers, usually lower than the tariff of the syndicate. After a discussion more or less prolonged, a collective agreement is made, the

clauses of which are not generally confined to the promises made by the dealers of a fixed sum for each job. The syndicate is accepted as the contracting party with whom to treat for the execution of the work, and with whose delegates the measurements must be made. Sometimes the syndicate even undertakes the responsibility for certain malpractices, such as the felling of trees that ought to be left untouched, or the encroaching on adjoining property.

Souchon also shows that the obligations of employers are often very heavy. For instance the syndicates desire to have none but their own members in the forest. But as we have seen, the wood-cutting is open to all comers so that the dealers cannot be required to exclude non-syndicalists. But it is pointed out that the increase of wages being due to the efforts of the association it would be unjust that workmen who have given it no assistance should share the advantages. Therefore the dealers must pay the non-syndicalist according to a lower tariff and hand over the difference to the syndicate. The amount thus saved is usually considerable, often rising to 15 per cent. of the wages, and imposing on non-syndicalists a heavy fine, the prospect of which is an indirect method of recruiting.

The incontestable effect of the action of the workmen in raising wages could not continue unchecked.

In the first place it shortened the forest season. Formerly there was work for the woodcutter in the forest for two months of each year, but for the last fifteen years there has been work only for four or five weeks because the time occupied in cutting down trees is now in many places reduced by one half. One reason for this is that the high wages attract a larger number of workmen and the work is therefore finished sooner, and another reason is that the cutting takes place less frequently. When the forests of Central France belonged to individuals the trees were cut down about every 15 years, now the period tends to be prolonged to 20 and 22 years. Thus the diminution of work for wood-cutters, though no doubt partly caused by economic conditions affecting the price of wood, is also owing to the action of the syndicates in raising the cost of labour.

The business of barking the trees, which yields to woodcutters the highest wages, is in somewhat the same condition. Twenty years ago all the proprietors dealt in bark, but of late the price of oak bark has continually diminished, chiefly because of industrial changes which have introduced new methods of tanning. Owing to the exactions of the syndicates the bark trade now yields no profit, and the proprietors are giving it up.

The syndicates try to exclude women and children from work in the woods. Formerly the woodcutter was aided by his family in accessory tasks. But as the demand for adult male labour was thus lessened, and a lowering of wages was likely to follow, the trade unions naturally opposed the custom, but could not abolish it without provoking much recrimination and introducing changes often burdensome to the families.

At length the associations of working men found themselves opposed by strongly organised unions of employers such as the *Syndicat du Centre*

and the *Syndicat des propriétaires du Nivernais* described by M. Souchon. The first, dating from 1903, comprises the proprietors of a great wooded district near the junction of the Allier and the Loire, from 25 to 30 kilometres in length. Here the syndicate has been accepted almost unanimously, because a conflict with it would deprive the inhabitants of employment, and oblige them to leave their homes. It has used its power systematically and has obtained considerable results. Unlike other districts, for instance Nièvre, it refuses agreements with the workmen. Its object is to give the dealers the means of dictating reasonable terms compelling them if needful to act with the energy indispensable in the interests of the work. With this view the syndicate has taken as a basis the wages of 1907, not attempting to go back on the increase then obtained, but merely to arrest a rise. But it has not adopted a uniform tariff, because the work has many different aspects, according to the situation of the woods and the age of the trees. Every year in the month of June the proprietors send to the secretary of the syndicate a list of the woods which they propose to cut down in the autumn. A commission composed of proprietors and dealers visits the woods named, and fixes the amount of the wages for each kind of work. The sindicate meets at the end of August and sanctions the tariff which must not again be altered, and must be accepted by proprietors working on their own account. If a proprietor should sell his trees he must insert a clause in his contract obliging the buyer to have the work done at this rate, with heavy fines in case of breach of contract. The proprietors, foreseeing that workmen may be tempted to boycott a certain wood in order to frighten the owner and detach him from the association, reply in anticipation by an affirmation of solidarity among themselves: "Should the trees which are to be felled remain standing after the 15th February through the refusal of the woodcutters to accept the tariff of the commissioners on the terms of the syndicates, no work shall be begun the following autumn within a radius of 4 or 5 kilometres from that wood till the felling is begun and going actively forward." It may be added that within its own sphere the *Syndicat du Centre* seems to have acquired control over the forces of the workmen and to have imposed its will upon them within certain limits.

The *Syndicat des propriétaires du Nivernais* has its headquarters at Nevers. It comprises a certain number of sections, the limits of which are determined by uniformity of cultivation, each section being independent of the others. Each may fix within its own limits the wages to be paid each season. Above them is a council of five members, to which may be added all the presidents of sections, with the duty of guiding concerted action. This syndicate has one function which is extending and growing stronger, that, namely, of ensuring advances of money to those of its members who may be in need. To facilitate this it has founded a mutual credit bank, and it is planning co-operative societies for the sale of forest produce. The object of the mutual credit society is to lend money to its members under the ordinary conditions of agricultural credit. The co-operative societies for cultivation and sale have some curious regulations. They give to every member "the right to bring to the societies either the

standing trees or the produce." The co-operative socities may work on their own account or sell to a dealer. To the proprietors an immediate price is guaranteed when they have not been able to have the trees felled.

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M. Souchon has also given particulars of two other branches of the wood-cutting industry, that of the making of hoops for casks, the *feuillard*, and that of the *resinard* or collecting of resin.

The hoops are made from chestnut-wood and associated with this occupation is that of the cutting of stakes of all kinds for vines, etc. The principal centre of this work is in Haute-Vienne, Dordogne and Corrèze especially in the districts of Saint-Yrieix and Nontron. There are about 2,500 men employed, and these, as in the woods of Nièvre and Cher, work in the fields as well as in the forests where they spend about eight months of the year (from October to June).

Increasing difficulties hamper this industry. First ravages of the phylloxera diminished the demand for casks; next, iron hoops were introduced which last four times as long as those of wood. A lowering in wages followed and led to the formation of workmen's syndicates of which there are now more than 150 divided into twelve groups. These syndicates are not independent of each other, but form the *Union ouvrière des chambres syndicales des feuillardiers de la région de Saint-Yrieix et du Centre*. Since 1900, they have succeeded in raising wages 40 to 50 per cent. They also include in their scheme a benefit system. In 1907 the syndicate of Saint-Yrieix, notwithstanding very precarious resources, promised a sum of 15 francs with an addition of three francs for each of his children to any member whose habitation had been destroyed by fire. Also to the demands of these syndicates is due the establishment of a council of experts in the district of Saint-Yrieix. We shall now describe some attempts at co-operative production.

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The condition of the resin collectors in the vast pine forests of Landes is very different. Besides their employment in the forests for the greater part of the year, namely, from February to October, they have other sources of gain, one being small agricultural holdings, sometimes as proprietors, sometimes as tenants, generally as metayers. To understand their economic situation, we must be acquainted with the amount of their wages and the proportion of the produce to which they are entitled if metayers. According to M. Souchon, their condition in 1906 before the first strikes was as follows.

The resin season may produce about 600 francs, to which must be added wages averaging from 3 francs to 3.50 per day during the three months

of the felling. The conditions of agricultural metayage vary according to the district, the commune and even the holding, as we may see in Marensin (a coast region to the north of the department of Landes), the Grande Lande (part of the resin forest farthest inland) and the Born (a coast region to the south of the department of Landes). In the last two districts the customary rule is equal division with only a small payment in kind of the part of the metayer. In the Marensin the metayer usually receives more than half of certain products. Sometimes this is three-fifths, sometimes three-quarters, sometimes two-thirds of the crop of wheat, maize, beans or oats, and the profit arising from cattle is alone divided equally.

Thus, taken altogether, the condition of the resin-workers, even before 1906, was preferable in a great degree to that of the woodcutters of Nièvres and Cher.

At the beginning of 1902, the price of resin, which up to that date had never exceeded 70 francs per hogshead, rose until it reached 120 francs in 1906. For this advance there were several reasons. The wood of the Landes was in great demand for railway sleepers and for props for mines, so much so that proprietors cut down their trees, thereby causing a decrease in resin production. Prices rose also from a trust and from the increased use of turpentine and colophony.

The dearness of resin raised a problem in the matter of wages. Those of the workmen who received half the profits gained considerably, while those who were paid by the job gained nothing. Thus arose complaints, strikes and the formation of syndicates.

In 1885 there was some attempt to establish workmen's clubs, and during the following twenty years occasionally and from various reasons such associations were formed, never, however, being more than of a temporary character. At the close of 1905, at Lit-et-Mixte in the Marensin, the first important syndicate was established. In 1906 all the district and likewise that of Born followed the example thus given. At the beginning of 1907, at Morceux, a first congress of resin-workers was held, 32 associations being represented. From this congress arose the *Fédération des syndicats de fermiers, métayers, résiniers et parties similaires de la terre landaise*. Several claims were formulated by this congress. Its first claim was that of an equal division of produce between the proprietor and labourer, whatever might be the price of the resin, another was that proprietors should employ only members of syndicates.

Other demands were relative to the lands held by metayers who were also resin-workers.

The congess required that at least when he had provided the labour the metayer should have $^3/_4$ of the harvest in cereals, the whole of the fodder and half of the straw not necessary for use in the farm; payment in kind to be replaced by a payment of 20 francs annually for small farms and 30 francs for larger; no day in future to be gratuitously given to the proprietor, and the work of the metayer on the farm to be strictly defined before being done.

Such demands were certain to produce conflicts and in 1906 strikes

began. From the end of 1907 throughout the whole region collective contracts prevailed of which although the clauses were far from uniform, all had some common features. To disentangle them, there must be distinction made between wages for the resin-work and payment by participation in the profits of the farm. With regard to the first it seldom happened that the syndicates obtained without some reserve, an equal division of the profits of the resin-work. More frequently a special arrangement was made. It was understood that the shares should be equal up to a certain price, beyond which the share of the worker was to be reduced either to ¼, or to ⅓. There are various other clauses in the greater number of agreements. Thus, almost always, we find the question of the carriage of the resin to the factory. Generally the expense of this carriage is equally divided between the workman and the proprietor up to 1.50 fr. or 2 fr. per hogshead; beyond this price, the payment falls on the employer. Sometimes also the employer pays the total sum when the price has not been fixed, equal division being made only when it exceeds the above mentioned rate. Several syndicates have also obtained the right of planning for the work of the year from the month of December or at the furthest from January. Some have even exacted from the proprietors a promise to exclude all non-members of syndicates, but this is very rare. Und erthe conditions of agricultural tenure a difference is made with regard to the metayer who uses the proprietor's team and one who does not. In the first case he receives half the profit; in the second he receives three-quarters. In many instances there are clauses for the suppression of payments in kind and for statute-labour to be replaced by payment in money.

In the majority of cases all the straw is required for the farm; if there should be a surplus, it is to be divided in the same proportions as the wheat. Many contracts grant the metayers the wood used as fuel and sometimes even that for the working of their threshing-machines.

The tendency to facilitate matters is undoubted, and according to M. Souchon this is due both to the proprietors and to the resin-workers. There are also mixed syndicates. The earliest of these, founded in 1907, is called *L'Union syndicale des propriétaires et résiniers de la commune d'Onesse-Laharie*. Its success will be recognised in the fact of its having formed a pension fund of nearly 100,000 frs. from a light tax on every hogshead. The proprietors of Onesse-Laharie have besides made ample concessions to their workmen, for by the rules of their association the principle of equal division prevails in every case with only a small indemnity to proprietors for supplying pots and hooks when the price of the hogs head exceeds 60 frs. At Soustons, soon after, there was founded the *Société co-opérative et philanthropique à capital et personnel variables*. This is a true mixed syndicate since it announces that its aim is "to safeguard all interests pertaining to the forests of the commune, and to facilitate the relations between the proprietors and resin-workers, maintaining them in harmony together." The conditions of wages are nearly such as we have described.

The workmen's federation however continues to exist, and its congresses are regularly attended. At that held at Castets in December, 1912,

seventeen adhering syndicates and four independent groups were represented. Attention was given entirely to State forests. Some years ago the workmen obtained numerous favourable changes in the administration of the forests but their ambitions are not yet satisfied and they aim at bringing all the woods of the district controlled by the Forest Department into line. To this the Department continually makes objections, giving as a reason that there are not sufficient workers nor sufficient credit for success. They say besides that the State would be much burdened by the necessary purchase of working materials (casks, pots, hooks, etc.) and embarrassed in the sale of the resin which is injured by long keeping.

State forests would be worked under contracts of considerable importance which would be disadvantageous because of the many facilities offered for combination among buyers and the resulting loss to the Treasury. This system would give only half the profits to the workmen, with which they would probably be dissatisfied.

§ 2 Vinedressers' associations.

Vine culture, after that of textile plants, has always been in France the branch of agriculture most remunerative to the cultivator.

Since the invasion of the phylloxera and the replanting of the vineyards, requirements for successful culture have greatly increased, one, as an instance, being the use of sulphur and of sulphate. There is more work to be done, and that the farm servants may not suffer in consequence many day labourers must also be employed. M. Souchon points out the distinction between work in vineyards and other work.

The vineyard labourers have a hard time. They work from sunrise till sunset with an interval of three hours for rest. This represents twelve hours per day at the beginning, becoming less however as the days shorten. Sundays are not exempt, and the only days of rest are those when all work is prevented by rain. Some years ago time-wages were the rule, but during the last seven or eight years attempts have been made to introduce task-wages. The wages vary in character. Vinedressers strangers to a locality are in the first place lodged by the proprietor who employs them. They sleep in a loft on a little straw, but such meagre hospitality can scarcely be considered remuneration. Sometimes their travelling expenses are paid and they are given their evening meal and wine. But their payment is generally made in money. Women grape-cutters receive but half the sum paid to men, but the men are expected to carry the grapes.

For both men and women payments differ with seasons, districts and even vineyards, but on an average, men receive four francs per day and women two francs per day, a rate which seems sufficient to allow of some saving by the recipients who for the greater part are mountaineers accustomed to lead a very frugal life. Yet they often spend much during their stay of three weeks or a month in the vineyards, and so have but little to take home.

The day labourers who live in the country and work there all the year round are very differently situated economically and socially according as they are or are not proprietors and according to the size of their holdings. Those who possess perhaps a bare hectare of land cannot have such profit. Their crop is small from want of needful capital, and their wine impaired by bad cellarage. Always in need of money they sell at a disadvantage. Sometimes also they are indebted to a neighbour for help,— for the loan of a horse, or for implements. Therefore it is not surprising to find in case of a strike that these small proprietors range themselves on the side of the workmen rather than on that of the employers.

With a larger holding the situation is less difficult. The owner of a vineyard of two or three hectares generally owns a horse, which is to him a source of much benefit. In a large number of cases, the proprietor shrinks from the expense of keeping a horse. When he has need of one he applies to his neighbours and pays relatively highly for the service rendered. However, the holder of from two to three hectares is no longer obliged to work for others, and if he does so occasionally he is usually well paid.

Other day labourers often remain connected with the same property for months and even years but not continuously, for they are only called on when there is extra work to be done. M. Augé-Laribé, quoted by M. Souchon, calculates that such a workman is generally employed 230 or 250 days annually. To them the care of the more delicate work is entrusted. The men are employed in pruning, grafting, sulphur and sulphate spraying of the vines: the women at easier work, such as the tying-up of the vine shoots or, at the time of spraying, the re-filling of the cans. As the women are so poorly paid, proprietors are often tempted to employ them instead of men. For this reason, the men protested energetically against the employment of women and often succeeded in preventing it.

Ordinarily, to get through the tasks allotted them more quickly, the vinedressers unite in groups called *bricoles* led by a chief workman called the *moussègne*. This collective work, like that of the woodmen in the forests, has much aided the development of syndicates.

The working hours of day labourers in the vineyards are short, being seldom more than eight. Their wages kept constantly rising from 1820 until the appearance of the phylloxera, and then from 1875 they began to go down, until in five or ten years they reached a proportion of about 50 per cent., and they would have been lower still but for the exodus of many of the workers. With the replanting of the vineyards better times came, but no years have ever been comparable to those between 1850 and 1875 for prosperity. In 1900 and the years following there was another fall in wages owing to the failure in demand. In April, 1903, hard frosts destroyed the vintage of the year, and employers dismissed many of their workmen, while they abruptly cut down the wages for the others by 30 or 40 per cent. In Hérault M. Souchon believes that he is near the truth in stating that in 1913 the ordinary daily wages in winter were 2 fr. 50, and in summer from 2 fr. 50 to 3 fr. 50. These figures seem very low when we remember that there are frequent intervals in vineyard work. Besides, the southern

labourers generally live in the cities or large villages, thus losing the advantages of a completely country life, one of which is the profit made on pig or poultry rearing. Their rent too is high, being calculated by M. Augé-Laribé at an average of 80 to 120 frs. Lastly, the continual cultivation of one kind of crop is prejudicial to the interests of the south through the risk of over-production, and it is also one cause of the higher cost of living. Bread, for instance, is a much heavier item of expense to the vinedresser in the south than in any other part of France.

On the 15th August, 1903, a first congress of vinedressers and labourers held at Béziers comprised 31 syndicates. In the following November the first strike of any importance was declared, and resulted much to the satisfaction of the workmen. In January, 1904, agitation increased, spreading from Hérault to Aube and Pyrénées-Orientales, and in April and May of the same year to Bouches-du-Rhône. According to the statistics of the Labour Office, more than 150 strikes of vinedressers took place between November, 1903, and May, 1904, affecting about 50,000 strikers. From a strictly economic point of view the workmen obtained considerable advantages, of which the chief was an increase in wages. But it is difficult to known the exact importance of the results of the congress, because the movement has entirely failed as to unanimity in its requirements. M. Augé-Laribé shows that usually the increase of wages varied, carrying them towards what they were before the frosts, from 25 to 50 or even 70 centimes per day for the same number of hours or even for fewer hours. At Montpellier and Arles the strikers seem to have been most successful, for in both these cities the proprietors engaged to pay at the rate of 0.50 per hour, and this afterwards came to be the payment claimed by the syndicates. In Pyrénées-Orientales wages rose to 3 francs per day of six hours and 3.50 frs. for a day of 7 hours which gives results equivalent to the tariff proposed by the syndicates with a few differences as to hours.

In Aube where wages were always lower, the new prices were generally 2.50 francs per day or 35 to 40 centimes per hour.

The question of wages was not the only one under consideration, — that of the evils resulting from the long intervals in the work of the vineyards calling for special attention, and the syndicates proposed various plans as a remedy. They also proposed restrictions upon the employment of outsiders, of women and of children, and prohibition of extra hours and of work by the job, — all with a view to retaining the work for themselves. But on these points success did not follow as in the case of day labour, and the little obtained was very incomplete. At first many agreed to the prohibition of women's work, except for the replenishing of the sulphur cans, and some of the proprietors agreed to employ workmen of the commune. It was invariably specified that extra hours should be paid at the same rate as the daily work, a notable improvement, as proprietors had hitherto expected extra work on pressing occasions to be done either gratis or for a very small remuneration.

Unhappily these good results were very precarious. At first the proprietors had been taken by surprise and they soon sought means of retalia-

tion. The judicial forms stating the agreements were generally very inexact, and a strike was seldom ended by a true collective contract. Generally the workmen were satisfied with a written minute, trusting for modifications to local usages, with nothing to show that the parties were bound by any legal obligation. This proved to be the germ of new conflicts which were not slow to break out.

A second congress of southern workmen was held at Narbonne on the 13th, 15th and 16th August, 1904. At this congress 107 syndicates were represented: 52 from Aude, 41 from Hérault, 11 from Pyrénées-Orientales, and 3 from Bouches-du-Rhône. The members seemed very much struck by the diversity of claims and the results obtained since the last strikes. Without taking into account that the customs and economic conditions are not identical in all the vine-growing districts of the south the congress laid down a uniform system of regulations for all. But while this programme was far beyond the results already obtained it must be acknowledged that it was in great part a failure. Since the winter the demand for wine had been small and the proprietors felt the impossibility of employing many workmen under the conditions imposed upon them. And partly from necessity, partly in retaliation, they dismissed many of the workmen they had engaged, and left hundreds of day labourers without work. When they consented to re-engage them, it was at a lower rate.

The question for the syndicalists was then to insure respect for the agreements already made, and to obtain new concessions, unattainable without further struggles. So the question was put to the congress at Narbonne, whether the time had not come for a general strike of vine-dressers. The idea was approved, but referred to the Federal Council which proclaimed the strike on December 1st, 1904.

It proved a failure, and was fatal to the prestige of syndicalism in the country districts of the south. A rapid diminution in the number of syndicates and syndicalists was soon observed. In 1904 the Vine-dressers' Federation comprised 145 members and 14,084 subscribers; the year 1905 closed with 157 syndicates and 5,551 members; the year 1906 with 143 syndicates and 3,366 members, at the end of October, 1907, there were only 109 syndicates and 1,721 members.

At the same time, the surviving organisations seemed to lose interest in the movement. We have seen that at the congress of Béziers in 1903, 31 syndicates were represented, and at Narbonne 107 in the following year. At the congress of Perpignan in 1905 only 77 organisations were represented and this number fell in the following year to 56 at the congress of Arles. In 1907 at another congress of Béziers, the syndicates were still less active. Solittle zeal did they showthat the time of meeting was put off and when convened for the 2nd and 3rd November only 43 syndicates were represented.

According to M. Souchon, there are many reasons for the diminution of the syndicalist movement in the south since 1904. Some of these must be sought in the heart of the trade unions. Many of those who joined them at first were attracted by the excitement of strikes, and if these were brought to a satisfactory conclusion, it seemed to the men that syndicates could be

of no further use. Among the syndicalists, dissensions, sometimes on political questions, sometimes regarding the subscriptions however small they might be, frequently occurred, precluding any effectual action in common. To these causes of decline may be added the economic conditions of vine-growing in the south of late years. When demand fell off labourers were less needed. In prosperous seasons great care was taken of the vine-stocks, and many improvements were tried, but when a crisis occurred the proprietors reduced their general expenses as far as possible, even at the risk of diminishing production. At such times the labourers begin to understand that there is no opposition of interests between their employers and themselves, and they are more disposed to union, especially in the desire to combat fraud. At the congress of Narbonne, one of the earliest, this question was debated, and since that time the workmen have more than once claimed the honour of having been among the first to oppose fraudulent dealing. In 1905 the syndicate of the small wine-growers of Béziers took the initiative in convening another congress, to comprise not only wage-earners, but also vine-growers of all classes. About 40 workmen's associations were represented, and their delegates met together with those of syndicates of employers or mixed syndicates and of chambers of commerce and other civic organisations. The congress appointed a *District Committee for the Protection of Vinegrowers*. Other similar committees, were nominated and the result was the *Vinegrowers' General Co-operative Society* with branches in nearly every commune.

This is an immense mixed syndicate, the object of which is "to study the interest of its members, whether economic or social, connected with vine-growing or agriculture." To attain this, appeal is made to all willing persons. It calls upon "each of its sections to establish and maintain among its members relations of friendship, dignity and mutual justice." It states that its aim is "to exercice a happy influence over the relations between capital and labour, in the hope that the labourers will take into account the solidarity of the proprietors with regard to them."

This confederation has had considerable success, and M. Souchon regards it as the chief cause of the decay of the original syndicalist movement.

But other causes have contributed to the same result. Southern workmen are less tempted by strikes, because much can be obtained without them. Since the increase in the price of wine many proprietors willingly pay their workmen 50 centimes per hour, a sum formerly regarded as a maximum, and there are often special indemnities, either on account of the high cost of living or for performing specially hard work. Another cause is that the small proprietors are rapidly increasing in numbers. Before the phylloxera crisis they were very numerous, but owing to that calamity they almost entirely disappeared.

In spite of the more systematic character of the new mode of cultivation a labour conquest of the land was begun, but interrupted by the frost of 1903 and still more afterwards by a failure of demand. At the present time subdivision is reappearing. The employers are more energetic, and though they have no organisations comparable to those of the forest prop-

rietors described by M. Souchon, yet more than once strikers have been met by a well concerted opposition. In 1912, at Ouveillan, in Aude, there was an attempted strike. The employers collected all the men who were willing to work, and formed them into strong gangs, thus frustrating all efforts at intimidation. Then they hired all the habitations in the village as the leases expired, and succeeded in forcing the ringleaders to go away by refusing to take them as tenants. At Thégan-les-Béziers, in Hérault, there were strike-breakers who went in succession to all the lands abandoned by the workmen. At Vauvert in Gard there is a company for mutual insurance against *sabotage*, which seems to have been the means of considerably diminishing the number of acts of violence. At Marsillargues in the *arrondissement* of Montpellier harmony was restored through the constitution of a co-operative society for the warehousing and sale of wines. All the workmen proprietors have an interest in joining it to secure a better sale of their produce, and they are thus withdrawn from the workmen's syndicate which moreover does not admit any members of the co-operative society. Doubtless, these are only isolated facts, but M. Souchon does not hesitate to regard them as symptomatic of a new era.

Except in the south there are few syndicates of vinedressers. But in Marne some local syndicates arose in 1911, more especially at Hantoilliers and Cumières ; and towards the close of the same year a *General Syndicate of the Working Men of Marne* united in itself all the existing organisations, and was about to increase their number.

At a congress held at the end of 1912 at Cumières 40 workmen's associations were represented, of which the total number of members was calculated at 1,400. Strikes soon arose, but they were neither numerous nor serious. In more than one place, without any cessation of work, collective contracts were made, especially at Rilly and at Ay. In these agreements the workmen did not obtain all that they claimed: for instance they demanded equal wages for men and women, the abolition of piece-work, and a uniform rate of wages for the whole district.

Nowhere have they obtained their full programme, but daily wages have been increased. For summer work, except for the vintage and certain particularly delicate tasks, the usual rate, up to the last few years, was from 3 francs to 3 francs 25 for men and 2 francs to 2 francs 50 for women. This rate has been more than once exceeded in new collective agreements.

But M. Souchon does not believe in a brilliant future for workmen's syndicates in Marne, because the number of small proprietors is too large in a department where 15,000 hectares are divided among 15,000 possessors. And if we remember that at least 3,000 hectares belong to large commercial houses which for several years have been making important acquisitions, the figures given must mean minute subdivision.

The very small proprietors in Champagne at certain times have many grievances. The cost of cultivation is very high, rising when the crop is good to a minimum of from 3,500 fr. to 4,000 fr. per hectare, and often higher. But low prices and poor crops do not ensure the cultivator against a recurrence of this high rate. Now the vine is capricious and prices are

regulated by the higher branches of commerce. This condition of things led in 1902, to the creation of a *Fédération des syndicats de la Champagne* with an official organ entitled *La Champagne Viticole*. The aim of this federation was at first to check fraud, and to create district banks to help vine-growers who might be obliged to sell at a disadvantage. But it also seeks to promote "l'entente cordiale through trade by sending a commission at least a week before the vintage to treat with buyers as to the price of the crops. This commission is to be composed of one delegate for every large crop." In this there is the germ of a combine of a sort treating with the large houses on terms of equality, and ending their economic predominance in buying, but hitherto the attempts at negotiation in order to arrive at a collective agreement have met with but little success.

To the workmen, as to the large firms, *La Champagne Viticole* willingly extends the olive branch. Its editors continually affirm that the wages are insufficient, but at the same time they try to point out the difficulties under which small proprietors labour. They preach patience to the one and generosity to the other. But are their appeals heeded? In any case it is certain that the working class movement among the vineyards of Champagne may thus far be considered of secondary importance.

§ 3. The distribution of the syndicalist movement.

Besides treating of woodcutters and vinedressers, M. Souchon has turned his attention to the metayers of the Bourbonnais, who at the close of 1905 founded a *Fédération des travailleurs de la terre et parties similaires de la Région bourbonaise*, now dissolved, and to the agricultural labourers of the Paris district who constituted, in June, 1907, a *Fédération des ouvriers agricoles de la Région du Nord* which was dissolved in 1910. Only one, the *Fédération des ouvriers de l'horticulture* still retains its importance, especially in Paris and its suburbs.

Finally, in the greater part of France up to the outbreak of the European war there had been neither syndicates nor strikes of agricultural labourers. In the west this was true of Brittany, Normandy, Anjou, Touraine, Vendée, Poitou, Charentes and Bordelais as far as the boundaries of the resin country. In the south only those departments devoted solely to vine-growing were affected, and of the whole plain of Toulouse, of Var, Alpes-Maritimes, Vaucluse, Drôme and Bouches-du-Rhône, excluding the Camargue because of it vineyards, nothing is to be said. In the east, Savoy, Dauphiny, Bresse, the Mâconnais, Jura, Lorraine and Champagne have also been untouched. In the north the syndicalist movement did not pass beyond the Paris districts. Lastly in the centre, Berry, Limousin and Auvergne did not follow the example either of the Nivernais or the Bourbonnais, though both were near neighbours.

Passing from this geographical division to a consideration of the question according to occupation, M. Souchon perceives similar restrictions, and

it is remarkable that in country districts, strikes and syndicates have always been the work of specialists, rather than of agricultural labourers in the usual acceptation of the word.

Rural syndicalists are for the most part vinedressers, woodcutters and gardeners. In their ranks may also be found metayers of the Bourbonnais, day labourers of Ile-de-France, and even some farm servants of the Centre, but these form only a small minority in the whole of rural syndicalism.

Even where syndicalism has been most widely extended, it has never reached the whole field. Among gardeners the agitation was especially in Paris. Among woodcutters, Nièvre and Cher alone were touched; in the Morvan and the Vosges there were no syndicalist woodcutters. With regard to vinedressers the syndicalist movement was localised in Champagne, Beaujolais, Hérault, Gard, Aude, Pyrénées-Orientales: it never penetrated into Bordelais or Burgundy.

In all there may be 642 workmen's syndicates in agriculture, forestry, fishing and cattle-rearing, comprising 60,724 members, that is only 2.22 per cent. of the whole number of wage-earners. But this figure is certainly too high, for in a syndicate there are always many doubtful members paying their subscriptions very irregularly, whom there is a temptation to include in the association to give it more importance, but who in reality take no part in its life. Now this occurs more in unions of agricultural labourers than among artisans, because in the country the syndicalists are more scattered, and therefore better able to evade the syndicalist discipline. Besides, as a rule, their wages in money are not high and their habits are more economical than those of dwellers in cities. Rural syndicates, it is true, content themselves with small subscriptions, often only 10 centimes per month, yet in many cases it is very difficult to collect even this, and consequently the number of nominal members is very large. M. Souchon believes that taking into account the continued extension of syndicates of factory workers we may conclude that there are between the two forms of labour great differences which throw difficulties in the way of the extension of syndicalism among rural workers.

ITALY.

MISCELLANEOUS NEWS.

1. — THE ORGANISATION OF THE AGRICULTURAL CONSORTIUM OF GENOA FOR THE SALE OF MILK. — One of the most serious and widely debated questions of the day is that of the milk supply for great urban centres. (1)

In the general rise in the cost of living the high price of milk is felt in a special manner (2) as it is an indispensable article of diet more especially for babies, and the sick and aged. The high price now charged for milk is not only due to the scantiness of the supply as compared with the increased demand, but also to the defective organisation of its collection and sale. It is therefore of interest to study the effort made by an agricultural co-operative society, the *Consorzio agrario* of Genoa, one of the most prosperous and active in Italy, to solve the problem. (3)

The Co-operative Agricultural Consortium of Genoa, established in 1900 with 14 members and a capital of 490 lire, had the purpose common to all such associations of promoting the improvement and prosperity of agriculture and of the agricultural classes in general.

At the start, owing to the inertia and lack of confidence of many and to lack of capital and of assistance, the difficulties encountered were many and serious and the action of the Consortium was necessarily restricted. But little by little the difficulties were overcome and the association gained the confidence of the farmers. The membership rapidly increased,

(1) Most meritorious work has been done in this matter by the *Unione Nazionale delle Latterie Sociali* (the National Union of Co-operative Dairies) which has placed itself at the service of several public administrations for the supply of milk in important urban centres. A start was made in Rome, to which the great co-operative dairy of Soresina (Cremona) daily supplies 10,000 litres. The Union is now negotiating with the municipalities of Cremona, Milan, Pisa, Reggio Emilia, Taranto, etc., with a view to supplying them with the milk needed for local consumption.

(2) See on this subject an article by Maggiorino Ferraris in the *Nuova Antologia* of October 16th., 1915: "The price of milk and the control of the high cost of living in Rome" (*Il prezzo del latte e la lotta contro il caro viveri a Roma*).

(3) The data on this subject are gathered from an article by Gabriele Galliani, president of the *Consorzio agrario* of Genoa, published in the *Nuova Antologia* of October 16th, 1915: "The Milk Problem and the Consorzio agrario of Genoa" (*La questione del latte ed il Consorzio agrario di Genova*).

attaining in the course of a few years the number of 500 (it now stands at 900), business grew, and before long the management was in a position to experiment the more important portion of its programme, namely, the sale of members' produce, beginning with milk. The Consortium started on this business at a time when the need of organising the milk trade in accordance with the requirements of hygiene and domestic economy was most urgently felt.

An accurate enquiry had shown that Genoa consumed daily upwards of 40 thousand litres of milk (now increased to nearly 70,000) and that out of each hundred litres brought into the town nearly 87 were of skimmed or separated milk. This milk sold at an average price of 35 centesimi per litre.

As a result of this enquiry the Agricultural Consortium resolved to start the sale of fresh, unskimmed milk, and after making the requisite studies and negotiations it began to do so in 1905, beginning with a contract for supplying those institutions which are most in need of genuine, sound milk the civil hospitals. As the result of patient organisation and propaganda, in which it was powerfully assisted by the Itinerant Lectureship of Agriculture, the Consortium succeeded in inducing its members to devote themselves to dairy farming and to supply all their milk to the Consortium at the price and on the conditions it prescribed.

Where small farms prevailed the formation of co-operative societies for production was promoted and they were provided with adequate means for collecting and forwarding the milk on the most approved sanitary methods; in this way the Co-operative Society of San Salvatore was formed with a membership of thirty small farmers and in 1906 it began to supply the Consortium with upwards of 550 litres of milk a day. The supply constantly increased, so much so that some members of the Consortium, owners of model dairies stocked with cows of first rate breeds, decided to form the Dairymen's Union of Tortona (*Unione-produttori di latte di Tortona*) which offered all the requisite guarantees and obtained a contract with the Consortium which has since been renewed every three years. This contract contains explicit clauses which insure the supply of genuine, sound, fresh milk to the Consortium. The Union undertook to filter the milk when fresh from the cow, and to chill it before forwarding it in special cans supplied by the Consortium. These cans are adapted to long journeys and insure the milk against deterioration. The Consortium also reserved itself the right to have the dairies inspected by a veterinarian of its choice, to take samples of the milk, etc.

The supply was so perfect that the hospitals renewed their contracts, and gradually other charitable institutions followed their example. Thus the sales, which during the first year did not exceed 1000 litres per day, progressively increased from year to year until they attained their present figure of five thousand litres a day. The Consortium was thus able to effect a considerable saving on the cost of carriage.

Having solved the difficulties connected with collecting and forwarding the milk, those involved in its storage and control were next dealt with.

For this purpose the Consortium, in view of the increased sale and the need of facilitating and accelerating the work of distribution, decided to install a refrigerating plant on its own premises, and machinery was acquired for this purpose which could chill and keep at a temperature of not more than one degree centigrade as much as 500 litres of milk a day. But this was soon inadequate to cope with the ever increasing demand for the milk, which grew beyond all expectations, and in 1909 a new and larger plant was installed.

At the same time the Consortium, so as to check the quality of the milk supplied and thus offer a satisfactory guarantee to its customers, opened a chemical laboratory supplied with all the apparatus required for the most careful analyses, the management of which was entrusted to an expert chemist.

As soon as the milk reaches the refrigerating room samples are taken from all the different lots ; these are analysed and the results of the analysis entered in a special book and at the same time communicated to the manager of the association.

Samples are also taken from time to time at the different depots so as to make sure that the employees do not adulterate the milk consigned to them for sale.

In spite of the considerable expenditure on labour required for the collection of the milk, and for filtering and chilling it, and of the cost of carriage and handling on delivery, and in spite of the unavoidable percentage of loss consequent on these operations, the Consortium has been able to sell milk to the hospitals at 27 lire and later on at 29 lire 50 centesimi the quintal, a price considerably lower than that paid by hospitals in other cities. It must be noted that the milk pays a municipal tax of 4 lire a quintal. The Consortium fixed the retail price at 35 centesimi per litre, a price which the public was accustomed to pay for skimmed milk. The Consortium has opened 18 depots in the most populous districts of the city, which fully satisfy in all respects the requirements of the population (1).

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2. — THE LIGURIAN CONSORTIUM OF CO-OPERATIVE SOCIETIES FOR PRODUCTION AND LABOUR. — The co-operative labour societies are one of the most characteristic forms of Italian co-operation. Organised amongst workmen, more especially day-labourers and workers in the building trades, they were founded for the special purpose of emancipating their members from subjection to ordinary contractors, and for securing contracts

(1) The Agricultural Consortium of Genoa does not only sell ordinary milk, it has also placed on sale for children and invalids humanised milk, most carefully prepared, and yoghurt. It also sells genuine olive oil, pure cream butter, and eggs, securing in the course of a few years a large custom and playing an important part in the provisioning of the city.

for public works direct from the government or from provincial and municipal administrations. Most of these associations undertake to build and keep in repair roads, bridges and canals, to carry out drainage and irrigation works, land reclamation, levelling and preparing lands, etc. In the *Bulletin* for November 1914 we published an article showing the importance of such associations and the measures taken in Italy to promote their growth, and we pointed out the important part they were taking in carrying out government contracts (1).

It was then shown that the Law of June 25th., 1909, N° 422, authorises such associations to unite in consortiums in order to apply for contracts of more importance, each of which may amount to as much as two million lire. One of the most prosperous of such consortiums is the Ligurian Consortium of Co-operative Associations for Production and Labour, on which we give the following data, drawn from the "*Cooperazione Italiana*" of October 15th., 1915 (No. 1161).

This periodical states that if the co-operative movement in Liguria has attained such proportions as to rival the most important industrial and commercial undertakings, the credit is mainly due to the Chamber of Labour (*Camera del Lavoro*) of Genoa. It was this institution which in 1907 gathered into one body the several co-operative labour associations, organising them into a federation which subsequently gave rise to the Consortium. To its initiative is also due the foundation of a distibutive consortium, which has already opened several stores in the city and which is of great service in protecting the interests of consumers.

The Ligurian Consortium of Co-operative Associations for Production and Labour was incorporated by a decree of February 11th., 1912 (2). Seven associations joined to form it, and it now numbers as many as 17 of the most important co-operative organisations of the city and province, carrying on the most various industries, from those of the building trades to those of ship-building and ship-breaking, from loading and unloading coal and merchandise to the manufacture of compressed air tanks and boilers, from wood and marble work to the printing trades, etc.

To-day the Consortium and its affiliated co-operative associations represent a labour force of over eight million lire, a subscribed and paid up

(1) Over 600 co-operative associations for production and labour are now entered on the registers of the prefectures. During the three year period, from 1910 to 1912, 176 of these secured from the administration of public works 543 contracts for a total value of 30,291,401 lire. These co-operative associations secured during this period from 2.11 % of all contracts assigned in the Marches up to 58.34 % of those assigned in Emilia. See on this subject the interesting Statistical Report on Contracts for Public Works (*Relazione statistica sui contratti d'appalto*) Vol. I, 1910-1912, published by the Ministry of Public Works in 1914.

(2) The Consortiums of co-operative associations for production and labour, of which there are now more than twenty, are established by royal decree on the motion of the Ministry of Agriculture, Industry and Commerce, acting in concert with the Ministry of Public Works; they enjoy full autonomy but are subject to the supervision of the said ministries; they are corporations and come under the provisions of the commercial code as regards their commercial dealings and all the effects consequent thereon.

capital of over half a million lire, a reserve fund of about 300.000 lire. and a benefit fund of over 90,000 lire.

The work of the Consortium is mostly concerned with the building trades, works of excavation, ship-breaking, and so forth. The Federation which preceded the present Consortium had already contracted for and carried out important works of this kind to the entire satisfaction of the administrations which gave the contracts (1).

Thanks to the facilities granted by law the Consortium has been able to develop rapidly, as is shown by the following table giving data for the first three years' work:

Growth of the Ligurian Consortium of Co-operative Associations.

Year	Capital	Reserve Fund	Value of work contracted for	Net profits
	Lire	Lire	Lire	Lire
1912	20,980.00	—	2,063,379	133,667.59
1913	68,799.29	26,733.50	2,300.965	152.341.84
1914	81,576.68	66,173.74	2,522,239	138.645.81

If it should seem that the capital owned by the Consortium is disproportionate to the value of the work contracted for, it should be remembered that the figures given are for the capital contributed by the affiliated co-operative societies in conformity with an explicit provision of the law. But as the statutes of the Consortium contain an article which provides for " the unlimited and joint liability of all the co-operative associations affiliated to the consortium " it may truly be said that the capital of the Consortium amounts to over half a million lire, which is the value of the capital of the several associations forming the Consortium.

The Consortium has played an important part in the rebuilding of Genoa : the great blocks of workmen's dwellings, the laying out of the streets and squares in important sections, the enlargement of school buildings etc., are all works which it has carried out. But the most important work on which the Consortium is engaged is the erection of the new hospital of S. Martino d'Albaro, which entails an expenditure of over 5 million lire.

The mode in which the Consortium distributes its profits is worthy of note. In so doing it does not only concern itself with the increase of

(1) The statistical report on contracts for public works, already referred to, points out that during the three years from 1910 to 1912 four co-operative consortiums secured 14 contracts from the administration of public works for a value of 5,337,616 lire. Ten of these contracts were given to the Federation of the co-operative associations of the province of Ravenna for 4,506,316 lire.

its capital and reserve fund and with the satisfaction of the material needs of the affiliated co-operative societies proportionately to the labour force which each has contributed to the common work, but it also takes into account the spiritual and moral requirements of the working classes, granting subsidies to the People's University, to the G. Mazzini Library, to the Consortium of Friendly Societies, and to other institutions which aim at the moral improvement of the workers.

Many of the affiliated co-operative associations are acquiring importance both on account of their increasing wealth and of the money value of the contracts which they carry out. Thus the co-operative association for unloading coal, which has a paid up capital of upwards of 60,000 lire, as well as a considerable reserve and benefit fund, carried out in 1914 work for the value of over two million lire at a net profit of 102,983 lire, and the metal workers' co-operative association, which owns a capital of 120 thousand lire, carried out work valued at over one million lire, etc.

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3. — THE NEW BYE-LAWS OF THE ECONOMIC AND SOCIAL UNION OF ITALIAN CATHOLICS. — As our readers already know, the Economic and Social Union of Italian Catholics with head-quarters at Bergamo, is the great centre which co-ordinates and directs the activities of the economic and social institutions of Catholics in Italy. Its bye-laws have recently been radically amended so as to fit it to meet the requirements of the day and the ever growing development of Catholic activities. As a result of this reform the organisation of the Union is fixed as follows: in the first place, its aim is to "promote, direct, and co-ordinate all the social and economic activities of Italian Catholics in conformity with Catholic doctrines with the instructions of the Holy See, with the principles laid down in its programme, and with the decisions of the Board of Management of the *Azione cattolica Italiana*. The Union consists ot all the social and economic institutions, which are already organised into their special national federations, and aims at attaining its objects mainly by verbal propaganda, by publications, visits, and the inspection of the affiliated institutions, courses for technical training, meetings and congresses.

Its organs are the "General Council" and the "Presidential Board." The General Council consists of (*a*) the President and one representative for each of the above mentioned national federations; (*b*) the general secretaries of those national federations which have organised a special secretarial office in regular working order; (*c*) additional councillors whom the Council may appoint in number which may not exceed one half of the number of the *ex-officio* councillors. The members of the General Council remain in office for three years and may be re-elected. The Council meets as a rule once a year, and after hearing a report on the moral and economic progress of the work, lays down in outline the programme for the

future, appoints, as the case may be, all or part of the elective members of the Council, and proceeds to the election of the members of the Presidential Board. It also fixes the annual dues to be paid by the several national federations to the funds of the Union. Each member of the Council has the right to submit motions for discussion at this meeting.

The Presidential Board consists of a President, a Vice-President, a treasurer, and two councillors, also of an Ecclesiastical Assistant appointed directly by the Holy See with a deliberative vote, and of the Secretary General of the Union with an advisory vote. This board represents the Union, is entrusted with carrying out the decisions of the General Council, watches over the procedure of the affiliated Federations, calls the general meetings, draws up the agenda for them, and compiles the statistical returns of the social and economic associations.

(Abstracted from the *Azione Sociale*, Bulletin of the Economic and Social Union of Italian Catholics, Bergamo, August, 1915).

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4. — AN IMPORTANT INITIATIVE OF THE ITALIAN FEDERATION OF CATHOLIC RURAL BANKS. — The Italian Federation of Catholic Rural Banks has recently drawn up a comprehensive scheme for the reorganisation of the local federations of rural banks for which it has been preparing for some time past. This scheme consists mainly in uniting all the existing rural and peoples' banks in legally constituted diocesan federations for each province or region. Several such federations already exist, some of which are prosperous. We note, amongst others, the Federation of Rural and Peoples' Banks of the Province of Bologna, which on the 31st. December, 1914, grouped together 84 banks with 7429 members; the Central Credit Bank of Latium, with 38 federated banks; the provincial or diocesan federations of Cosenza, Brescia, Bergamo, Pistoia, Treviso, Mantua, etc. Most of these, however, are not legally recognised, and so cannot exercise economic functions but are limited to exercising moral influence. In accordance with the above mentioned programme, there will henceforth be two kinds of legally constituted local federations; one kind will limit its work to inspection and technical advice, the other will discharge the functions of central banks. The latter will be organised only in those localities in which the financial duties of a central bank are not already discharged by a local Catholic bank. The National Federation has therefore compiled a set of model bye-laws to serve as a basis on which to draw up the bye-laws of the new federations, and by which to amend those of federations already in existence. It is especially suited to the needs of those federations which do not intend to act as central banks. In accordance with these bye-laws the said federations will be organised as co-operative societies with limited liability, the purpose of which will be (*a*) to act as the central organ of the affiliated share-holding societies and to act as an intermediary for facili-

tating the financial transactions of said societies with the Banks of issue and with ordinary credit banks ; (*b*) to organise on behalf of the affiliated share-holding societies services of representation, supervision, and advice on questions of administration, law, and accountancy, more especially by means of visits of inspection ; (*c*) to promote the organisation of new institutions of popular credit and co-operation ; (*d*) to assist the affiliated share-holding societies in making their collective purchases and in all technical, fiscal, legal and economic matters, (*e*) to develop by means of the affiliated share-holding societies the agricultural credit business.

The means at the disposal of these federations will consist of a share capital formed by shares of 25 lire each and of a reserve fund. Membership is open to rural banks, peoples' banks, and workmen's banks, to co-operative and other legally constituted societies, and, in special cases, to individuals who have actively promoted co-operation and mutuality. Banks, co-operative societies, and other bodies which wish to become members must make application in writing to the Board of Administration, must accept the bye-laws and rules of the federation, and must be admitted by the Council itself, which decides without appeal. On becoming share-holders the affiliated societies must (*a*) submit to inspection, and conform to the decisions taken with regard to them by the Board of Administration, and assist in assuring the regular working of all the other services of the Federation ; (*b*) pay each year dues fixed by the general meeting as compensation for the cost of the services above referred to ; (*c*) conform with the decisions of the general meeting and the Board of Administration. This board consists of seven members, and has the fullest powers for the ordinary and special administration of the federation ; it deliberates and provides for the work and services of the federation, for the admission, withdrawal, and exclusion of members, for the appointment and salaries of employees, and so forth.

The better to carry out this comprehensive scheme, the National Federation is now inspecting the federations affiliated to it so as to make sure of their regular working and to facilitate their development. The federations of Bologna, Lodi, Florence, Forlì, and others have already been visited and answers obtained to a special "questionnaire", consisting of two parts, one dealing with the generalities of the federated organisation such as title, number, situation and nature of the affiliated banks, bye-laws, working organisation of the several federated services, rules of administration, financial means, etc, the other dealing with financial questions as, for instance, loans, current accounts due to the society, securities, cash in hand, goods, capital and reserve fund, deposits, etc.

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5. — THE FOUNDATION OF AN AGRICULTURAL LOAN BANK. — On the initiative of the Cooperative Agricultural Union of Latium an Agricultural Loan Bank has recently been opened in Rome with the following programme :

(*a*) to secure credit on the most favourable conditions to its members and to agriculturists in general, freeing them from the need of selling their produce under unfavourable conditions just after the harvest and enabling them to hold their crops for sale at the most favourable moment by means of credit warrants accompanied by pledge certificates granted to members on depositing their produce in the general warehouses in Rome; (*b*) to organise the retail sale of agricultural produce to the consumer direct, so as to enable purchasers to buy their provisions at moderate prices without having to satisfy the undue exactions of speculating middlemen; (*c*) to give commercial value to grain and seeds by sorting, sifting, and cleaning them with proper machinery, so as to enable the farmer to profit by the increased value conferred on such products by this process.

(From a notice sent out by the Society in November 1915).

Part II: Insurance and Thrift

GENERAL.

TECHNICAL CONDITIONS OF FORESTRY INSURANCE

(Continued).

§ 1. How to fix the rate of capitalisation for forests.

The labours of the Superior Commission appointed by the French Government to ascertain and estimate the amount of the material losses caused by the war have induced M. Dabat, General Manager of Waters and Forests, to consider thoroughly the problem of the valuation of damage to forests treated by us in the number of this Bulletin for October. The eminent specialist classifies this damage under three heads :

I. Damage to forests that have been felled ;
II. Damage to standing trees ;
III. Damage to the soil.

It is only the two latter categories that come within the range of our investigations.

M. Dabat first of all points out that in the case of forests it is as a rule impossible at once to restore them to their former condition, for the wood destroyed is only slowly formed again. Therefore, during the period of restoration, the decrease in the yield from the forest must be compensated by an amount in money. The amount of money to be paid at once to the injured proprietor, as compensation, can evidently only be fixed by means of calculations implying the adoption of a rate of interest.

Forest produce takes many years for its formation. The value of a plantation a year old cannot be realised, nor that of one five or even ten years old. However, such plantations have a value for their proprietors, account

of which must be taken if they are damaged or destroyed. This value they possess solely in view of a later realisation, and it is called the future value of the trees or plantations. It can only be fixed by means of calculations implying the adoption of a rate of interest.

It is evident that the rate to be adopted must always be that of the investment of the capital sunk in the forest under consideration, or, if it is preferred, the rate at which the capital produces. In fact, if for ten years we deprive a forest proprietor of an annual revenue of 100 francs from his property, we can only fairly compensate him by means of an amount capable of yielding these ten annual sums of 100 francs or the same rate as that at which the forest produces. If the forest produces at the rate of 3 %, the estimate of the damage will be most certainly and quite fairly very much higher than in the case of a loss of the same yield incurred in a forest yielding at the rate of 5 %. This, in the end, means that we must pay the injured proprietor not merely interest, but also an amount of capital equal to that he possessed before.

The estimate depends very largely on the rate adopted. Thus the question of the selection of the rate is of fundamental importance and has been deservedly considered separately and in detail by M. Dabat.

In every forest we find a working capital and a yield The capital includes the soil, the standing wood and the circulating capital indispensable for every undertaking. Comparison of the annual yield with the invested capital will give an amount called the rate of yield from investment in forest estate, which is only the yearly interest on capital. It has become usual to express the rate as percentage of the capital and to say it is 3 %, 5 %, etc. While it is of extreme importance to fix the rate to be adopted, or the rate at which the capital invested in forests produces, it is also very difficult and sometimes impossible to fix it accurately; it is often necessary to be satisfied with an estimate, and this constitutes the chief difficulty in forest valuation and is peculiar to it.

In fact, the rate can only be calculated in the case of forests normally worked, that is to say of forests giving, ordinarily, a constant and regular annual yield and thus having a perfectly definite value. This seldom occurs in practice and can only occur in cases of forests of very simple character, as for example ordinary copsewood giving an annual or periodical yield. Really,we are almost always, except in this special case, reduced to estimating the rate. M. Dabat gives the following advice in regard to these estimates.

The rate of yield from investment in a forest estate or the rate of production of a forest, varies within very wide limits, for example, between 1 % or even less and 5 % or 6 % or sometimes more.

If a forest only produces quite young wood and faggots the commercial value of which hardly covers the expenses of gathering them, it is evident that the rate of production is very low, for the principal always includes at least the value of the forest soil and a circulating capital, even if the value of the standing wood is very small.

On the other hand, if the forest is worked so as to produce very old wood, the capital value will become very considerable, if an annual yield is taken from it, on account of the enormous value of the growing standing wood. Experience shows that this capital value soon increases (when the age for felling is raised) far faster than the yield. If the forest gives a periodical yield, the long intervals between the fellings produce the same results, so that we may say:

"In systematically worked forests very low rates of yield correspond with very early fellings. When the age for felling is raised, the rate rises and soon arrives at a maximum, after which it goes an indefinitely decreasing, so that with very late fellings there correspond very low rates of yield."

On the other hand, the certainty with which the different kinds of forest produce varies greatly. Some, such as pine forests, are very much exposed to loss through fire, which reduces the value of their capital and increases the rate of yield. Others, such as forests, of deciduons trees, give a very constant yield, because it is obtained from a large variety of produce, whilst the principal is very little liable to be affected by accidents. The rate of yield from investment in such forests would be very low. Woods of the character of oak coppices, the yield from which consists in a single class or only two classes of goods, will give a very uncertain and varying yield.

Finally, the rates of yield from investment in forests of course vary according to the general law of supply and demand which effects all values of every kind according to time and place. When the economic circumstances are of a nature to lower the rates of yield from investment generally or to increase them, the rates in connection with investments in forest estate of necessity are affected. A great difficulty in regard to the adoption of rates of interest in connection with forestry is that the calculations often suppose an invariable rate for a very long period, which does not correspond with the facts. Experience shows that the rates, whatever they may be, vary according to economic conditions and consequently from one period to another, as above said.

We may conclude then that if the selection of a rate of interest is extremely important for purposes of forest valuation, it is also an extremely delicate matter. It will, however, be useful to give here, with every reservation, a few figures, while we must observe that they are only averages that seem to be true for the present moment, but the different species may present divergences from them of greater or less importance.

Generally, the rate of yield from investment in an ordinary coppice varies from 3 ½ % to 6 %.

In a coppice containing also large trees it would be from 3 % to 4 ½ %, according as such trees are more or less abundant.

In a pinewood it would be from 4 % to 5 %, etc. It will be understood, that, in spite of the advantage it would be for appraisers to obtains figures that might serve as a basis for their calculations, it has not been possible for M. Dabat to make precise statements and definite affirmations, as the matter

does not lend itself to this. We have a problem of valuation before us which has to be solved specially for each forest.

Finally, when the elements necessary for fixing the rate according to the above rules are not forthcoming, an indication may be found in the commercial rate of yield from land investments in the region.

§ 2. The two values of standing timber.

The rate of capitalisation serves, we have said, to fix the future value. A living tree or plantation has in fact two values. It may be cut and delivered to the wood merchant. He will pay the sale value. It may also be left standing with a view to later realisation by a speculator purchasing it at the value which it will have at the time of realisation less discount. He will estimate it at its future value. Sale value and future value are two independent conceptions, neither of which can be substituted for the other. No valuation can leave either out of consideration without the risk of very serious error.

The future value always exists. However old a living tree may be, in can always be left to grow older. However young it is, even if only a seedling still possessing its cotyledons, it has already a future value.

Only those already sufficiently mature for cutting them to give a profit have a sale value. A four years old copsewood has a future value ; it has as yet no sale value.

Most frequently the two values coexist, in the case of a living tree or wood. The higher of the two is then taken as the real value. The two values are, indeed, equally real, but it is true that the highest is the most important ; it is the price that will be realised at sale when there is sufficient competition.

Experience shows that when a tree or a wood is allowed to grow old, the capital represented by its value together with that of the soil in which it grows increases at a rate which becomes less and less every year from the first appearance of the plants up to the most advanced age. In other terms, the rate at which the capital invested increases, that is, the proportion between the annual increase in value and the amount of value acquired, continually decreases as time goes on. Very high in the earliest years, it at last falls to insignificant amounts like 0.50 %, 0.25 % or even less, when the woods are very old.

It follows that when we fix the future value of a living wood or tree by discounting the value it will have in a certain number of years at a rate calculated as above explained, we shall get a value higher than the sale value if the tree or wood is young and the rates of increase are, therefore, high. If, on the contrary, the forests are too old and their value only increases very slowly, on discounting the ultimate value at the same rate, we shall of course arrive at a future value less than the present sale value. Between these two cases we find that in which the two values are the same.

We shall not dwell on these considerations which will be found developed in special treatises. It is only necessary to mention that, if we compare the future value with the sale value, we find that, for very young woods, the first is the higher, that a time follows when the two values are the same and, afterwards, in the case of older woods, the sale value is the higheer.

§ 3. Methods of valuing standing timber.

We have seen in the first part of this article the nature of the damage due to forest fires. When the damage has been done, the appraiser must form an accurate idea of the nature of such woods as have been totally destroyed, their extent and the volume of standing timber. When the woods have merely been injured it is possible to calculate the value of what remains, which is called salvage. Inventories made for the purpose may require much time and expense and in any case must be in part estimated.

Except for the very special case of a forest normally worked, the damage to standing trees is obtained by estimating the forests damaged or destroyed at the value they had for their proprietor, less the salvage, if any.

If the woods damaged or destroyed were sufficiently old to be considered as ready to be felled for the markets, they are valued at their market price or sale value. Otherwise they will be estimated at their future value, that is to say taking into consideration the value they would have had at the moment they became ready for felling and treating the forest as a capital bearing compound interest.

It is shown in the special treatises that if x is the future value of a wood, n' years old, which must be realised when it is n years old and will then give a net revenue equal to r and if t is the rate to be adopted in the calculations, we obtain the equation:

$$x = r \frac{(1 + t)^{n'} - 1}{(1 + t)^{n} - 1}$$

The factors $(1 + t)^{n'}$ and $\frac{1}{(1 + t)^{n} - 1}$ have been calculated in advance for all usual values of t, n' and n and are given in tables in all treatises on forest valuations or in the "ready reckoners" of business men. It is enough to discover the value of these factors and apply the formula in order to obtain the result.

Example. — A wood, 18 years old, will be felled at 25 years, when it

will give a net yield of 600 francs. The rate to be adopted to 4 %. What is the real future value of this wood ?

It is

$$v = 600 \frac{1.04^{18} - 1}{1.04^{25} - 1}$$

The table shows that $1.04^{18} = 2.026$, whence $1.04^{18} - 1 = 1.026$ and

$$\frac{1}{1.04^{25} - 1} = 0.60$$

We shall then have $x = 600$ francs $\times$ 1.026 $\times$ 0.60 = 369 fr. 36.

We may still further simplify the calculations by means of tables to give directly for the usual value of n, n' and t the factor by which the revenue r must be multiplied to obtain x, the future value. Such a table will be found at the end of this article.

The rate to be adopted in the calculations must be that of the yield from the investment of capital sunk in the forest under consideration.

It is necessary to state clearly when the woods must be estimated at their future value and when at their sale value.

Cases in which the age for felling is indicated. — When in a forest an age for felling has been decided on by the proprietor, all woods that have not yet reached this age must be estimated at their future value. If a proprietor, whose forest yields at the rate of 4 %, proposes to fell at 25 years a wood nineteen years old, which will sell for 600 frs. net at 25 years, this wood has very really, *for its owner*, the future value calculated. This value lawyers call *erga dominum* ; and the experts must have this in view when they make their estimates.

Woods that have passed the age fixed for felling, if any such are found in the forest area, must be estimated at their sale value, for they represent for their owner a revenue that has become due and is realisable.

Case in which the age for felling is not indicated. — Whenever the age for felling is not strictly fixed by the proprietor himself, the appraiser must assign to the growing woods the highest value they can have at any age at which they are felled. That is to say a value for n is sought for that will give the highest value to the expression $r \frac{(1+t)^{n'} - 1}{(1+t)^{n'} - 1}$ in which n is the only

independent variable quantity, since, when n is known, the value of r is immediately found. Once the age n is fixed (the forestry economists often call it the limit of commercial exploitability), woods that have not yet attained n years of age must be valued at their future value, and older woods at their sale value.

But these operations may appear somewhat complicated.

M. Dabat has given the following rules to simplify the method :

In the case of copsewoods not yet 30 or 35 years old, the future value will be calculated on the supposition that they will be felled when from thirty to thirty-five years old, except in the case of certain kinds of trees, such as chestnuts, for example, which are felled with advantage at a much less advanced age. In the same way, the future value of high forest trees not more than fifty or sixty years old will be calculated on the supposition that they will be felled when from fifty to sixty years old.

In the case of copsewood more than from thirty to thirty-five years old, or high forest trees more than fifty or sixty years old, the sale value will be fixed.

When we have to consider young fresh growth among high forest trees felled at long intervals, these young trees may be valued at their future value as if they were to be felled when from fifty to sixty years old.

When the value of these fresh growths is insignificant in comparison with that of the older trees, sometimes a simple estimate of their value will be held sufficient, provided it is based on the future value.

This kind of valuation will be, for example, necessary in forests where trees of all ages grow together indiscriminately, when it will be impossible to fix the value of the young trees otherwise than by such an estimate.

Valuation of trees. — The value of trees is arrived at precisely in the same way as that of the woods. When the age for felling is fixed, the future value of trees that have not reached this age may be calculated, the others, if there are any, will be valued at their sale value.

When no age for felling has been fixed, or when the age fixed is one very advanced, most usually, in practice, their sale value is estimated, if the wood has attained a certain age, for example from 50 to 60 years, and younger trees will be estimated at their future value on the supposition of their being felled at an age of from 50 to 60 years (taken by way of example).

Some experts make no calculation in fixing this future value and simply add a surplus value, which they estimate, to the sale value of the young trees. Thus a standard which will be furnish a tenth of a *stère* of firewood and thus will have a sale value of 40 c., will be estimated at 60 c. or 70 c. or more according to its age, so as to take account of what it might become, at the end of a certain number of years, as wheelwrights' wood.

Case of Forests systematically worked. — For forests systematically worked a special system of valuation may be adopted.

Those forests are said to be systematically worked the management of which is regulated and the capital constituted in such a way as to give a constant and regular yield, as a rule an annual yield.

This organized condition may be theoretically defined for every type of forest management. In fact it can scarcely be realised in practice except when the intervals between the felling are very short, as in the case of simple copses or certain pinewoods intended for felling at short intervals, which may, in an economic sense, be assimilated to copses.

When we find forests in which felling takes place at short intervals and the capital is perfectly normal and the yield regular, we may, according to M. Dabat, estimate, according to the following method, the loss sufferedby the proprietor whose standing woods have been partially destroyed.

After a detailed examination of the condition of the forest, a working plan must be prepared so that the forest may be as speedily as possible brought back to its former condition of systematic working. This result can only be attained at a more or less distant date, during which the revenue will remain less than it was previously, as the capital lost can only be reconstituted by means of economy in production. In order that it may be taken into account, during the period of reconstitution, the decrease in the forest yield must be made up for each year by means of a sum of money. Let r, for example, be the former annual revenue, r_1, r_2, $r_3 \cdots r_p$ the revenue obtained in the first, second third .... p^{th} year of the period of reconstitution. The loss to be incurred in the first year will be $r - r_1$, that of the second year will be $r - r_2$, that of the third year $r - r_3$, that of the p^{th}, year $r - r_p$. The first will be made up for by the present

payment of an amount equal to $\frac{r - r_1}{1 + t}$ which in one year will become $r - r_1$;

the second by an amount $\frac{r - r_2}{(1 + t)^2}$, the p^{th} by an amount $\frac{r - r_p}{(1 + t)^p}$, which in

p years will become $r - r_p$, etc. The total loss will be the sum of all these factors.

§ 4. Damage to the soil.

The losses caused by disturbance of the soil, the destruction of the roots of copses or of high forest trees must be estimated from the amount to be spent for the restoration of the former condition of the soil. When in practice this former condition can only be partially restored, a compensating estimate must be established.

If the leaf-litter (the surface cover formed by dead leaves and forest debris, constituting the raw material of the vegetable mould and the principal element of the fertility of the forest soil) is destroyed, it will have to be considered that this destruction occasions a temporary decrease of the fertility of the soil, that is to say of the production during one, two or three years, for example.

Table giving the values of the coefficient $\frac{(1+t)^{n'}-1}{(1+t)^{n}-1}$ *by which the yield* r *from a forest felled at the age of* n *must be multiplied in order to obtain the value of the standing timber at a lower age* n'.

AGE OF FELLING.

Age of the wood n'	20 years rate per cent						25 years rate per cent						30 years rate per cent					
	2.5	3.0	3.5	4.0	4.5	5.0	2.5	3.0	3.5	4.0	4.5	5.0	2.5	3.0	3.5	4.0	4.5	5.0
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1 year	0.0389	0.0372	0.0353	0.0336	0.0319	0.0303	0.0293	0.0274	0.0257	0.0240	0.0225	0.0209	0.0228	0.0210	0.0194	0.0178	0.0164	0.0150
2 years	0.0794	0.0756	0.0717	0.0688	0.0651	0.0617	0.0597	0.0558	0.0520	0.0492	0.0459	0.0427	0.0465	0.0428	0.0393	0.0366	0.0335	0.0307
3 »	0.120	0.115	0.110	0.105	0.0998	0.0956	0.0902	0.086	0.0799	0.075	0.0704	0.0662	0.0701	0.0652	0.0603	0.0558	0.0513	0.0476
4 »	0.162	0.155	0.148	0.143	0.136	0.130	0.122	0.114	0.108	0.102	0.0958	0.0901	0.0947	0.0876	0.0813	0.0758	0.0699	0.0647
5 »	0.204	0.197	0.190	0.182	0.174	0.167	0.153	0.145	0.138	0.130	0.123	0.116	0.119	0.111	0.104	0.0968	0.0895	0.0831
6 »	0.249	0.241	0.231	0.222	0.214	0.206	0.187	0.177	0.168	0.159	0.151	0.142	0.146	0.136	0.127	0.118	0.110	0.102
7 »	0.294	0.285	0.275	0.265	0.256	0.246	0.221	0.210	0.199	0.190	0.180	0.171	0.172	0.161	0.150	0.141	0.131	0.122
8 »	0.339	0.331	0.320	0.310	0.299	0.289	0.255	0.244	0.232	0.221	0.211	0.200	0.199	0.187	0.175	0.165	0.154	0.144
9 »	0.387	0.378	0.367	0.355	0.344	0.333	0.292	0.279	0.266	0.254	0.243	0.231	0.227	0.214	0.201	0.189	0.177	0.166
10 »	0.436	0.427	0.415	0.403	0.392	0.381	0.328	0.314	0.301	0.288	0.276	0.264	0.255	0.241	0.227	0.214	0.201	0.189
11 »	0.485	0.476	0.465	0.452	0.441	0.430	0.365	0.351	0.337	0.323	3.311	0.297	0.284	0.269	0.254	0.240	0.227	0.214
12 »	0.537	0.528	0.516	0.504	0.493	0.482	0.404	0.393	0.375	0.361	0.347	0.334	0.314	0.299	0.283	0.268	0.253	0.240
13 »	0.588	0.580	0.570	0.558	0.547	0.536	0.442	0.428	0.413	0.399	0.385	0.371	0.314	0.328	0.312	0.297	0.281	0.268
14 »	0.643	0.636	0.625	0.614	0.603	0.593	0.484	0.469	0.454	0.439	0.425	0.411	0.376	0.360	0.342	0.326	0.310	0.295
15 »	0.697	0.692	0.682	0.672	0.662	0.653	0.525	0.510	0.495	0.481	0.467	0.452	0.408	0.391	0.373	0.357	0.340	0.325
16 »	0.753	0.750	0 741	0.732	0.724	0.716	0.567	0.553	0.538	0.524	0.510	0.496	0.441	0.424	0.406	0.389	0.372	0.356
17 »	0.812	0.810	0.803	0.795	0.788	0.782	0.611	0.597	0.583	0.569	0.555	0.541	0.476	0.458	0 440	0.423	0.405	0.389
18 »	0.871	0.870	0.866	0·861	0.855	0.851	0.656	0.642	0.628	0.616	0.603	0.590	0.510	0.492	0.474	0.458	9.440	0.424
19 »	0.912	0.934	0.931	0.929	0.926	0.924	0.701	0.688	0.676	0.664	0.653	0.640	0.546	0.528	0.510	0.494	0.476	0.460
20 »	1.000	1.000	1.000	1.000	1.000	1.000	0.748	0.737	0.726	0.715	0.705	0.693	0.582	0.565	0.547	0.531	0.514	0.498

| | | |

Table showing the values of the coefficient $\frac{(1+t)^{n'} - 1}{(1+t)^{n} - 1}$ *by which the yield* r *from a forest felled at the age of* n *must be multiplied in order to obtain de value of the standing timber at a lower age* n'.

AGE OF FELLING.

Age of the wood n'	35 years						40 years						45 years					
	rate per cent						rate per cent						rate per cent					
	2.5	3.0	3.5	4.0	4.5	5.0	2.5	3.0	3.5	4.0	4.5	5.0	2.5	3.0	3.5	4.0	4.5	5.0
20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
1 year.	0.018	0.016	0.014	0.013	0.012	0.011	0.015	0.013	0.012	0.010	0.009	0.008	0.012	0.011	0.009	0.008	0.007	0.006
2 years	0.037	0.034	0.030	0.028	0.025	0.023	0.030	0.027	0.024	0.021	0.019	0.016	0.025	0.022	0.019	0.017	0.015	0.013
3 »	0.056	0.051	0.046	0.042	0.038	0.035	0.046	0.041	0.037	0.033	0.029	0.026	0.038	0.033	0.029	0.026	0.023	0.020
4 »	0.076	0.069	0.063	0.058	0.052	0.048	0.062	0.055	0.050	0.045	0.040	0.036	0.051	0.045	0.040	0.035	0.031	0.027
5 »	0.095	0.088	0.080	0.074	0.067	0.061	0.077	0.070	0.064	0.057	0.051	0.046	0.064	0.057	0.051	0.045	0.039	0.035
6 »	0.116	0.107	0.098	0.090	0.082	0.075	0.095	0.086	0.077	0.070	0.063	0.056	0.079	0.070	0.062	0.055	0.048	0.043
7 »	0.138	0.127	0.116	0.107	0.099	0.090	0.112	0.102	0.092	0.083	0.075	0.068	0.093	0.083	0.073	0.065	0.058	0.051
8 »	0.159	0.147	0.136	0.125	0.115	0.105	0.129	0.118	0.107	0.097	0.088	0.079	0.107	0.096	0.085	0.076	0.068	0.060
9 »	0.181	0.168	0.155	0.143	0.133	0.122	0.148	0.135	0.123	0.111	0.101	0.091	0.122	0.109	0.108	0.088	0.078	0.069
10 »	0.204	1.190	0.176	0.163	0.151	0.139	0.166	0.152	0.139	0.126	0.115	0.104	0.137	0.123	0.111	0.099	0.088	0.079
11 »	0.227	0.212	0.197	0.183	0.170	0.157	0.185	0.170	0.155	0.142	0.130	0.118	0.153	0.138	0.124	0.112	0.100	0.089
12 »	0.251	0.235	0.219	0.204	0.190	0.176	0.205	0.188	0.173	0.158	0.145	0.132	0.169	0.153	0.138	0.124	0.111	0.100
13 »	0.275	0.258	0.241	0.225	0.211	0.196	0.224	0.207	0.191	0.175	0 161	0.147	0.186	0.168	0 152	0.138	0.124	0.111
14 »	0.301	0.283	0.265	0.248	0.233	0.217	0.245	0.227	0.209	0.193	0.177	0.162	0.203	0.184	0.167	0.152	0.136	0.123
15 »	0.326	0.307	0.289	0.272	0.255	0.239	0.266	0.247	0.228	0.211	0.194	0.179	0.220	0.200	0.182	0.166	0.150	0.135
16 »	0.352	0.333	0.314	0.296	0.279	0.261	0.287	0.267	0.248	0.230	0.213	0.196	0.238	0.217	0.198	0.181	0.164	0.148
17 »	0.380	0 360	0.340	0.321	0.304	0.285	0.310	0.289	0.269	0.249	0.232	0.214	0.256	0.234	0.215	0.196	0.178	0.161
[illegible]	0.408	0.387	0.367	0.348	0.330	0.312	0.332	0.310	0.290	0.270	0.251	0.234	0.275	0.252	0.231	0.212	0.193	0.176
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.296	0.270	0.249	0.229	0.209	0.191

22	»	. . . .	0.520	0.505	0.484	0.404	0.446	0.427	0.426	0.405	0.382	0.360	0.340	0.320	0.335	0.329	0.305	0.284	0.261	0.241
23	»	. . . .	0.557	0.537	0.516	0.497	0.478	0.457	0.454	0.431	0.408	0.385	0.364	0.344	0.376	0.350	0.326	0.303	0.280	0.259
24	»	. . . .	0.589	0.569	0.549	0.530	0.512	0.493	0.480	0.457	0.434	0.411	0.390	0.370	0.397	0.371	0.346	0.324	0.300	0.279
25	»	. . . .	0.622	0.603	0.583	0.565	0.547	0.528	0.506	0.484	0.461	0.438	0.417	0.397	0.419	0.393	0.368	0.345	0.321	0.299
26	»	. . . .	0.655	0.638	0.619	0.601	0.584	0.566	0.534	0.511	0.489	0.466	0.445	0.425	0.442	0.415	0.390	0.367	0.343	0.320
27	»	. . . .	0.690	0.673	0.656	0.638	0.623	0.603	0.562	0.540	0.518	0.495	0.475	0.453	0.465	0.438	0.414	0.390	0.365	0.341
28	»	. . . .	0.725	0.710	0.693	0.678	0.663	0.645	0.591	0.569	0.548	0.526	10.505	0.485	0.489	0.462	0.437	0.414	0.389	0.365
29	»	. . . .	0.761	0.748	0.733	0.718	0.705	0.690	0.629	0.600	0.579	0.557	0.537	0.518	0.514	0.487	0.462	0.439	0.413	0.390
30	»	. . . .	0.799	0.786	0.773	0.760	0.749	0.734	0.651	0.631	0.611	0.590	0.571	0.551	0.539	0.512	0.488	0.464	0.439	0.415
31	»	. . . .	0.837	0.827	0.815	0.804	0.796	0.782	0.682	0.669	0.644	0.624	0.606	0.588	0.565	0.539	0.514	0.491	0.466	0.443
32	»	. . . .	0.877	0.868	0.859	0.850	0.844	0.829	0.714	0.696	0.678	0.660	0.643	0.624	0.591	0.565	0.542	0.519	0.494	0.470
33	»	. . . .	0.916	0.910	0.904	0.898	0.894	0.884	0.747	0.730	0.714	0.696	0.681	0.664	0.618	0.593	0.570	0.548	0.524	0.500
34	»	. . . .	0.957	0.954	0.951	0.947	0.946	0.929	0.780	0.766	0.751	0.735	0.721	0.706	0.646	0.622	0.600	0.578	0.555	0.531
35	»	. . . .	1.000	1.000	1.000	1.000	1.000	1.000	0.814	0.802	0.789	0.775	0.763	0.750	0.674	0.651	0.630	0.610	0.587	0.565
36	»	. . . .	—	—	—	—	—	—	0.849	0.839	0.828	0.816	0.806	0.795	0.703	0.681	0.662	0.643	0.620	0.599
37	»	. . . .	—	—	—	—	—	—	0.885	0.877	0.869	0.859	0.852	0.843	0.733	0.713	0.694	0.676	0.656	0.635
38	»	. . . .	—	—	—	—	—	—	0.927	0.917	0.911	0.904	0.900	0.894	0.764	0.745	0.728	0.712	0.692	0.673
39	»	. . . .	—	—	—	—	—	—	0.961	0.958	0.955	0.951	0.950	0.947	0.795	0.778	0.763	0.749	0.731	0.713
40	»	. . . .	—	—	—	—	—	—	1.000	1.000	1.000	1.000	1.000	1.000	0.827	0.812	0.799	0.787	0.771	0.755
41	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	0.860	0.847	0.836	0.827	0.812	0.799
42	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	0.894	0.865	0.875	0.868	0.856	0.845
43	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	0.928	0.920	0.915	0.911	0.902	0.894
44	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	0.964	0.959	0.957	0.956	0.950	0.945
45	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	1.000	1.000	1.000	1.000	1.000	1.000
46	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
47	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
48	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
49	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
50	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
51	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
52	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
53	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
54	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
55	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
56	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
57	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
58	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
59	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
60	»	. . . .	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Table giving the values of the coefficient $\frac{(1+t)^{n'}-1}{(1+t)^{n}-1}$ *by which the yield* r *from a forest felled at the age of* n *must be multiplied in order to obtain the value of the standing timber at a lower age* n'.

AGE OF FELLING.

Age of the wood n'	50 years						55 years						60 years					
	rate per cent						rate per cent						rate per cent					
	2.5	3.0	3.5	4.0	4.5	5.0	2.5	3.0	3.5	4.0	4.5	5.0	2.5	3.0	3.5	4.0	4.5	5.0
39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57
1 year	0.010	0.009	0.008	0.007	0.006	0.005	0.009	0.007	0.006	0.005	0.004	0.004	0.007	0.006	0.005	0.004	0.003	0.003
2 years	0.021	0.018	0.015	0.013	0.011	0.010	0.018	0.015	0.013	0.011	0.009	0.007	0.015	0.012	0.010	0.009	0.007	0.006
3 »	0.032	0.028	0.024	0.021	0.017	0.015	0.027	0.023	0.019	0.016	0.014	0.012	0.023	0.019	0.016	0.013	0.011	0.009
4 »	0.043	0.037	0.032	0.028	0.024	0.021	0.036	0.031	0.026	0.022	0.019	0.016	0.031	0.026	0.021	0.018	0.015	0.012
5 »	0.054	0.047	0.041	0.036	0.031	0.026	0.045	0.039	0.033	0.028	0.024	0.020	0.039	0.032	0.027	0.023	0.019	0.016
6 »	0.066	0.057	0.050	0.043	0.037	0.032	0.055	0.047	0.041	0.035	0.029	0.025	0.047	0.040	0.033	0.028	0.025	0.019
7 »	0.077	0.068	0.059	0.052	0.045	0.038	0.065	0.056	0.048	0.041	0.035	0.030	0.056	0.047	0.039	0.033	0.028	0.023
8 »	0.089	0.079	0.069	0.061	0.052	0.046	0.075	0.065	0.056	0.048	0.041	0.035	0.064	0.054	0.046	0.039	0.032	0.027
9 »	0.102	0.090	0.079	0.069	0.060	0.053	0.086	0.075	0.064	0.055	0.047	0.040	0.073	0.062	0.053	0.044	0.037	0.032
10 »	0.115	0.101	0.090	0.079	0.069	0.060	0.097	0.084	0.073	0.063	0.054	0.046	0.082	0.070	0.060	0.050	0.062	0.036
11 »	0.128	0.113	0.100	0.088	0.077	0.068	0.108	0.094	0.081	0.071	0.061	0.052	0.092	0.078	0.067	0.057	0.048	0.040
12 »	0.141	0.126	0.111	0.099	0.086	0.076	0.119	0.104	0.090	0.079	0.068	0.058	0.101	0.087	0.074	0.063	0.053	0.045
13 »	0.155	0.138	0.123	0.109	0.096	0.085	0.131	0.115	0.100	0.087	0.075	0.065	0.111	0.095	0.082	0.070	0.059	0.050
14 »	0.169	0.151	0.135	0.120	0.106	0.094	0.143	0.126	0.110	0.096	0.083	0.072	0.121	0.105	0.090	0.077	0.065	0.055
15 »	0.184	0.165	0.147	0.131	0.116	0,104	0.155	0.137	0.119	0.105	0.091	0.079	0.132	0.114	0.098	0.084	0.072	0.061
16 »	0.198	0.178	0.160	0.143	0.127	0.113	0.167	0.148	0.130	0.114	0.100	0.086	0.142	0.123	0.106	0.092	0.078	0.067
17 »	0.214	0.193	0.173	0.155	0.138	0.123	0.181	0.160	0.141	0.124	0.109	0.095	0.153	0.133	0 115	0.100	0.085	0.073
18 »	0.230	0.207	0.187	0.168	0.150	0.135	0.194	0.172	0.152	0.134	0.118	0.103	0.165	0.143	0.124	0.108	0.093	0.080
19 »	0.246	0.222	0.201	0.182	0.162	0.146	0.207	0.184	0.163	0.145	0.128	0.112	0.176	0.154	0.134	0.116	0.100	0.087

22	»	0.296	0.270	0.247	0.225	0.203	0.184	0.250	0.224	0.200	0.179	0.159	0.141	0.212	0.187	0.164	0.144	0.125	0.109
23	»	0.314	0.287	0.263	0.240	0.217	0.198	0.265	0.239	0.213	0.192	0.171	0.152	0.225	0.199	0.175	0.154	0.135	0.117
24	»	0.332	0.305	0.280	0.256	0.233	0.213	0.280	0.253	0.227	0.205	0.183	0.163	0.238	0.211	0.186	0.164	0.144	0.126
25	»	0.350	0.323	0.297	0.273	0.249	0.228	0.295	0.268	0.241	0.218	0.195	0.175	0.251	0.223	0.198	0.175	0.154	0.135
26	»	0.369	0.341	0.315	0.291	0.265	0.244	0.311	0.283	0.256	0.232	0.209	0.188	0.265	0.236	0.210	0.186	0.164	0.145
27	»	0.389	0.360	0.334	0.309	0.283	0.261	0.328	0.299	0.271	0.247	0.224	0.200	0.279	0.249	0.222	0.198	0.175	0.155
28	»	0.408	0.380	0.353	0.328	0.301	0.279	0.345	0.316	0.287	0.262	0.237	0.214	0.293	0.263	0.235	0.210	0.187	0.165
29	»	0.429	0.400	0.373	0.348	0.320	0.298	0.362	0.332	0.303	0.278	0.252	0.229	0.308	0.277	0.248	0.222	0.198	0.177
30	»	0.450	0.421	0.394	0.368	0.340	0.317	0.380	0.350	0.320	0.294	0.268	0.243	0.323	0.291	0.262	0.236	0.211	0.188
31	»	0.471	0.442	0.415	0.389	0.361	0.338	0.398	0.368	0.338	0.311	0.284	0.259	0.338	0.306	0.276	0.249	0.224	0.200
32	»	0.494	0.465	0.438	0.411	0.383	0.359	0.417	0.386	0.355	0.329	0.301	0.276	0.354	0.321	0.291	0.263	0.237	0.213
33	»	0.516	0.487	0.460	0.434	0.406	0.382	0.436	0.405	0.374	0.347	0.319	0.293	0.370	0.337	0.306	0.278	0.251	0.226
34	»	0.539	0.511	0.484	0.458	0.430	0.406	0.455	0.424	0.393	0.366	0.338	0.312	0.387	0.353	0.322	0.293	0.266	0.241
35	»	0.563	0.535	0.509	0.483	0.455	0.431	0.475	0.444	0.413	0.386	0.358	0.331	0.404	0.370	0.338	0.309	0.282	0.256
36	»	0.587	0.560	0.534	0.509	0.481	0.458	0.495	0.465	0.434	0.407	0.3 8	0.351	0.421	0.387	0.355	0.326	0.298	0.271
37	»	0.612	0.586	0.560	0.536	0.508	0.485	0.517	0.486	0.455	0.428	0.309	0.372	0,439	0.405	0.373	0.343	0.315	0.288
38	»	0.638	0 612	0.588	0.564	0.536	0 514	0.538	0.508	0.477	0.451	0.422	0.395	0.457	0.423	0.391	0.361	0.332	0.305
39	»	0.664	0.639	0.616	0.594	0.566	0.545	0.561	0.531	0.500	0.474	0.445	0.418	0.476	0.442	0.410	0.380	0.351	0.323
40	»	0.691	0.667	0.64	0.623	0.597	0.577	0.583	0.554	0.524	0.498	0.470	0.443	0.495	0.461	0.429	0.399	0.370	0.343
41	»	0.718	0.696	0.675	0.655	0.630	0.610	0.606	0.578	0.548	0.523	0.495	0.469	0.515	0.481	0.449	0.419	0.390	0.362
42	»	0.747	0.726	0.707	0.688	0.664	0.646	0.630	0.603	0.574	0.549	0.522	0.496	0.535	0.502	0.470	0.440	0.411	0.383
43	»	0.775	0.756	0.739	0.722	0.699	0.683	0.654	0.628	0.600	0.576	0.550	0.524	0.556	0.523	0.492	0.462	0.433	0.405
44	»	0.805	0.788	0.772	0.757	0.736	0.722	0.680	0.654	0.627	0.605	0.579	0.554	0.577	0.545	0.514	0.485	0.456	0.428
45	»	0.835	0.821	0.807	0.794	0.775	0.763	0.705	0.682	0.655	0.634	0.609	0.585	0.599	0.568	0.537	0.508	0.480	0.452
46	»	0.867	0.854	0.843	0.832	0.815	0.805	0.731	0.709	0.684	0.665	0.641	0.618	0.622	0.591	0.561	0.533	0.505	0.477
47	»	0.899	0.889	0.880	0.872	0.857	0.851	0.758	0.738	0.715	0.697	0.674	0.653	0.644	0.614	0.585	0.558	0.531	0.504
48	»	0.931	0.924	0.919	0.913	0.902	0.898	0.786	0.767	0.746	0.730	0.709	0.689	0.668	0.639	0.611	0 585	0.558	0.532
49	»	0.965	0.961	0.958	0.957	0.948	0.947	0.814	0.798	0.778	0.764	0.745	0.727	0.692	0.664	0.637	0.618	0.587	0.562
50	»	1.000	1.000	1.000	1.000	1.000	1.000	0.843	0.829	0.812	0.800	0.783	0.767	0.716	0.690	0.665	0.641	0.617	0.592
51	»	—	—	—	—	—	—	0.873	0.861	0.846	0.837	0.823	0.809	0.742	0.717	0.693	0.671	0.648	0.625
52	»	—	—	—	—	—	—	0.903	0.894	0.882	0.876	0.864	0.853	0.768	0.745	0.723	0.702	0.681	0.659
53	»	—	—	—	—	—	—	0.935	0.929	0.919	0.916	0.908	0.900	0.794	0.773	0.753	0.734	0.715	0.695
54	»	—	—	—	—	—	—	0.967	0.964	0.957	0.958	0.953	0.948	0.821	0.803	0.784	0.768	0.750	0.732
55	»	—	—	—	—	—	—	1.000	1.000	1.000	1.000	1.000	1.000	0.849	0.833	0.817	0.803	0 788	0.772
56	»	—	—	—	—	—	—	—	—	—	—	—	—	0.878	0.864	0.850	0.839	0.827	0.813
57	»	—	—	—	—	—	—	—	—	—	—	—	—	0.907	0 896	0.885	0.877	0.867	0.857
58	»	—	—	—	—	—	—	—	—	—	—	—	—	0.937	0.929	0.921	0.916	0.910	0.902
59	»	—	—	—	—	—	—	—	—	—	—	—	—	0.968	0.963	0.959	0.957	0.954	0.950
60	»	—	—	—	—	—	—	—	—	—	—	—	—	1.000	1.000	1.000	1.000	1.000	1.000

MISCELLANEOUS INFORMATION RELATING TO INSURANCE AND THRIFT IN VARIOUS COUNTRIES.

ARGENTINE.

THE BEGINNING OF THE SCHOOL MUTUAL MOVEMENT IN ARGENTINE. — The start of the mutual movement in the Argentine dates from the campaign for social action undertaken in 1912 by M. Leopold Mabilleau under the auspices of the *Museo Social Argentino*. This propaganda resulted in the foundation of many institutions based on the principle of mutuality, forming a Pleiades-like group composed of ardent and enthusiastic mutualists. One of the most important effects of this movement was the impetus it gave to mutuality in schools. In fact, at the end of 1913 the "Mutualist Association" was constituted to encourage "saving, mutual protection, and the spirit of union among pupils and ex-pupils in schools." In March of the following year *La Linea Recta*, a school society, acting under one clause of its own constitution and after close study of similar institutions in France, Spain and Belgium, established a mutual association among pupils and ex-pupils of School No. 8 (Council or School District No. 19) to develop which it is making every effort. Owing to the need of having as many schools as possible in the association the rules were amplified, and in the month of May of the present year (1915) a statutory project of mutuality among pupils and ex-pupils of both sexes was submitted for examination to the 19th School District (1). Having been approved with some slight alterations it was transmitted to the National Council of Instruction that it might be put in force in all the schools of the 19th District. Such was the first manifestation of public school mutuality in the Argentine Republic. We shall now enumerate the principal regulations governing the "Mutual Aid Association among Pupils and Ex-Pupils of the 19th District."

The objects of the society in question are: (*a*) to encourage habits of saving and a spirit of solidarity; (*b*) to prepare children for their future lives; (*c*) to help members by a daily allowance in case of illness or

(1) M. Pedro B. Franco, author of the article from which the above particulars are taken, points out the curious coincidence that school mutuality began in Buenos Ayres in the 19th School District as also in the 19th District of Paris.

accident; (*d*) to grant pensions to members above the age of 55, for old age or infirmity. The society may also constitute for its members under certain specified conditions a dowry or endowment to become payable upon their reaching the age of 25.

The members are divided into four classes: active members, patrons, benefactors and honorary members. The first are present and former pupils of both sexes of the schools of the 19th School District. The patrons are those who by gift or monthly grants contribute to the prosperity of the Institution without receiving advantage from it. The benefactors are those members who distinguish themselves by their activity in the cause of mutuality. Lastly the honorary members are those who have deserved well of the Institution.

Active members must be above six years of age and under fourteen. Members who entered at the close of the first year of the existence of the society pay an admission fee as follows: from six to eight years the amount of three monthly payments (0.70 pesos); from eight to ten years, the amount of four monthly payments (0.80 pesos); from ten to fourteen years the amount of five payments (1.00 pesos). The sums accruing from this source are paid into the reserve fund.

Patrons, benefactors, and honorary members are admitted and appointed by the Council of Administration of the society, without limit of age, residence or nationality.

The share capital consists of: (1) the subscriptions of active members; (2) those of patrons and honorary members; (3) donations and legacies; (4) sums realised by fêtes, sale of publications, etc., (5) official grants. The total capital is divided into *Ordinary* and *Extraordinary Funds*. The *Ordinary Fund* comprises: (*a*) the amount devoted to mutual aid, resulting from half the subscriptions of active members; (*b*) a pension fund formed of the remaining half of these subcriptions; (*c*) the reserve fund consisting of the admission fees above-mentioned and payments made by patrons. The *Extraordinary Fund* includes donations and legacies, the sums accruing from fêtes and those appropriated to dowries, besides all the money collected without a definite object.

Active members or their legal representatives engage to pay subscriptions as follows: from six to fourteen years, 0.20 pesos per month, half of which goes to the mutual aid fund and half to be entered in the certificate for an individual pension. Members over fourteen years of age pay 0.50 pesos per month, divided in the same way.

Patrons pay an annual subscription of at least 5 pesos. Every patron who pays 50 pesos in one sum will be considered a founder; if he pays 100 pesos he becomes a benefactor.

A year after entrance any active member has in case of illness or accident a right to assistance as follows:

Age of member	Grant per day: During the first month of illness or accident	Grant per day: During the two following months
	Pesos	Pesos
from 6 to 14 years	0.25	0.50
" 14 to 25 "	0.75	1.00
" 25 to 55 "	1.00	1.25

If the illness should last more than three months, the Council of Administration must decide whether the state of the funds will permit a continuation of the grant.

No member may claim an allowance :

(1) for any illness that lasts less than four days;

(2) for any chronic complaint ;

(3) for illness caused by intemperance or contracted during an epidemic ;

(4) for any accident for the occurrence of which the insured person himself must be held responsible ;

(5) for injuries received in a quarrel if the injured person be the aggressor.

Pensions will be granted :

(*a*) in case of accident on presentation of certificate of membership in due order and if possible a certificate stating that the accident incapacitates the individual from working, and was not due to his own fault or negligence ;

(*b*) at the age of 55 years on presentation of a certificate of membership in due order and of a document proving the age of the member.

In case of the death of a member before the age of 22 the society will pay to his legal representative the amount of the premiums already paid towards his retiring pension. Sums unclaimed on the expiration of a year from the death of the member shall be handed over to the mutual aid fund.

Every active member between the ages of 6 and 8 years may form a marriage fund. To do this the member must present a request signed by his or her father or father's legal representative, together with a certificate attesting the petitioner's age, and must pay a weekly supplementary quota of 0.25 pesos.

The number of these payments may be increased at the member's pleasure. The fund may be paid up before the member reaches the age of 25 : (*a*) in case of marriage, at request ; (*b*) in case of the death of the member's father, at the request of the widowed mother

The society in question is ruled and administered by a Council of Administration and a Consulting Council. The National Council of Instruction of the Argentine Republic in the hope of rapidly extending the institution now that the first step has been taken, is preparing a code

of regulations for a "National Union of School Mutual Associations." Of this Union the object will be to encourage the development of the mutual movement in schools, to strengthen the bonds of solidarity among mutual societies, to facilitate the passage of members from one society to another, etc.

(From the *Boletín mensual del Museo Argentino*, Buenos Aires).

DENMARK.

THE NEW DANISH LAW ON SICKNESS INSURANCE SOCIETIES. — The new law first presented to Parliament in 1912 was approved in April, 1915 and comes into force on January 1st, 1916.

It is in conformity with the fundamental principle of the former law: voluntary insurance, with contributions from public institutions (State or Commune).

The right to register with societies recognised by the State is reserved for persons of the working class without means, to whom other classes are assimilated, such as small farmers, clerks, etc. No difference is made in regard to sex.

The person once registered may continue to belong to the society, even when his economic situation is improved, provided that the rules give him this right but the public institution (State or Commune) will no longer contribute for him and he must himself pay a corresponding contribution.

The society is obliged in case of sickness to provide medical and hospital assistance for the persons registered with it and their children (including adopted children) under fifteen years of age, provided they live in the district of the society.

However, in some cases the society must pay the hospital charges for a person registered with it, when, on account of his work, he has been treated in a hospital in another district.

The daily rate of sick pay is generally at least 40 *öre* (1) a day. The maximum, which in no case may exceed 3 crs. a day and four-fifths of the average wages of the patient, shall be established in accordance with the total average wages of the persons registered or at a fixed percentage of the average wages of each person registered.

A maternity society is attached to each society recognised by the State: the assistance given is fixed at least 1 crown a day, for the whole period the mother is obliged to keep her bed, and for at least ten days after delivery. The society also provides medical assistance during the confinement.

The new law contains various provisions to prevent the person registered from deriving economic advantage from his illness; for example, a

(1) An öre is equal to about fr. 0.0135: 100 öre make a crown.

member, who receives full wages during his illness, has no right to any assistance in money, and, in any case, has only a right to the difference between the wages he received before illness and what be continued to receive when ill.

The state contributions are fixed by the new law at two crowns per person registered, " without means of subsistence, " at the end of the year, and also the fourth part of the expenses supported by the society for medical and hospital expenses. Besides this, the State pays the fourth part of the assistance in money paid for sickness or medical assistance to women in their confinements, not exceeding, however, a certain amount in the case of each person registered.

The yearly contribution of the State may, in no case, exceed 4.65 crs. per individual registered, when the society works in the capital or its suburbs; 4.15 crs. when it works in a provincial city and 3.65 crs. when it works in the country.

To decide disputes that may arise between doctors and the societies, a special board of 6 members is formed, three of the members being elected by the Central Sickness Insurance Societies Association and three by the General National Association of Doctors.

The six members elect a president.

BRITISH INDIA.

THE PROBLEM OF CATTLE INSURANCE IN INDIA. — Cattle form such an important part of the wealth of the small cultivator in India that very naturally a good deal of attention has been directed, since the success of the Indian co-operative movement has been assured, to the question of forming mutual cattle insurance associations among the cultivators themselves. Such associations have in fact been formed in considerable number in Burma; a few also have been formed in Coorg; and, in 1914, there was one, described as an experimental institution, in the United Provinces. In Burma there were 59 registered cattle-insurance societies on June 30th, 1914, but pending definite action upon a proposal to form a central reinsurance society the formation of local societies had been suspended. In Coorg the 9 societies which were working in 1914 were compelled, owing to the exceptionally high mortality among cattle due to drought, to suspend all operations that year from April to September. It is evident, therefore, that the experience of existing cattle-insurance societies in India has been too short to permit of any conclusions being drawn as to the prospects of success for co-operative insurance in that country.

Experience in European countries apparently does not furnish much guidance in attacking the problem in India. Mr. A. Yusuf Ali, I. C. S. (Retired) writing to the *Indiaman* contrasts conditions in India with

those in England where there were 157 cattle insurance societies (popularly called "Cow clubs") in existence at the end of 1913. The writer uses the figures for 1912 when there were 130 societies in England and Wales, of which 22 were registered under the Friendly Societies Act. In these registered societies — the only ones for which annual returns are compulsory — the average membership was 71, the average number of animals insured per member was 3.1 and the average mortality rate was 2.4 per cent. of the insured animals. The insurance contributions levied worked out to an average of 4*s.* 1*d.* per animal insured which was sufficient to meet all claims. The reserves of the societies amounted to £ 4,881 — an average of nearly £ 222 per society, equal to five years' average losses.

In Great Britain there are no violent fluctuations of cattle mortality. Epidemic disease is rare and upon its occurrence is ruthlessly stamped out. The risks undertaken by cow insurance societies relate mainly to normal deaths and accidents. Elaborate precautions are taken to prevent the introduction of disease with imported cattle. Suspicious cases are slaughtered and compensation is paid by the Board of Agriculture, which in the case of insured cattle reduces the burden of liability for the societies.

In India, a very different state of affairs exists. There are no accurate statistics of the loss of cattle by death or accident. Cattle-disease (rinderpest, anthrax, foot-and-mouth disease or some other form) is nearly always prevalent, and many outbreaks of disease are never reported at all. The simplest sanitary precautions are neglected; segregation is considered a hardship; and the slaughter of cattle — even to prevent infection — would cause a riot. Moreover, the rate of loss among plough-cattle in India from starvation and neglect is very heavy even in normal times, and in periods of famine agricultural cattle perish wholesale in the affected districts. There are, again, numerous losses at all times from straying, theft, cattle-poisoning, floods, snake-bite and the depredations of wild animals.

The writer concludes: — "An insurance society will have to count on all these factors. They would make the premium rates so high as to be prohibitive for the average Indian small holder. English experience does not apply, first because the normal risks of cattle are much greater in India than in England, and, secondly, because the abnormal risks due to famines and epidemics are practically unknown in England."

GREAT BRITAIN AND IRELAND.

A SUCCESSFULL HORSE AND CATTLE INSURANCE CLUB IN CAMBRIDGESHIRE. — The publication of a Note in the October number of the *Journal of the Board of Agriculture* on the working of the Haddenham Cattle Insurance Club enables us to supplement the article on "Mutual Cattle Insurance in England and Wales," which appeared in our issue of October with the following description of a club which for many years has successfully insured both horses and cattle.

Haddenham is a rural village in Cambridgeshire and the club in quest-

ion was founded there in 1888. It accepts for insurance the horses and cattle of any stock owner within a radius of five miles from Haddenham, its operations covering in all eight villages, each of which has separate representation on the Committee which consists of 23 members. There are now 122 members, for the most part small holders, some of whom are actual owners of the land they cultivate. For the ten years ending 1913 the average number of horses insured was 223 and the average number of cattle 171. Each member insures on the average about 2 horses and 1.5 cows, the largest number insured by any one member being 10 horses and 4 head of cattle.

The entrance fee for a horse is 2*s*., for a cow 1*s*. 6*d*. A foal may be entered on or after the 24th June in each year and any calf may be entered when four months old. The subscription, payable monthly at each meeting of the Club, is 4*d*. per month for a cow, and 6*d*. per month for a horse. The Committee has power to make a levy of 1*s*. per head of stock for every loss sustained by the Club, and to increase such levy (if found necessary) at the next monthly meeting. Insured animals are not valued except when they fall ill or die. If the animal dies the value is paid to the owner, in full, subject however to a maximum of £10 for a cow and £15 for a horse.

For the ten years the average death-rate per cent. per annum has been 4.5 for horses and 2.5 for cattle. The average amount paid in claims per annum has been £83. 17*s*. for horses, and £36. 11*s*. for cattle, equal to 7*s*. 6*d*. per animal insured for the former and 4*s*. 3*d*. per animal insured for the latter. As the monthly contributions amount only to 6*s*. per horse and 4*s*. per cow the regular income has not sufficed to pay the claims year by year. Besides the monthly subscriptions there is a small income from entrance fees amounting on the average to £8. 10*s*. a year, and from the sale of carcasses which are sold at a contract price of 25*s*. each carcass of whatever kind. Including receipts from all sources the total income has averaged £122. 2*s*. and, as the total expenditure averaged £126. 3*s*. there has been an average loss per annum of £4. 1*s*. The Club can always restore equilibrium by making a special levy as the Committee has power to do, but the writer in the *Journal* points out that much the better plan would be to raise the monthly premium from 4*d*. to 5*d*. for cows, and from 6*d*. to 9*d*. for horses. The premium for horses has hitherto been much too low in view of the facts that the mortality among horses has been almost double that of cows (4.5 per cent. as against 2.5 per cent.) and the maximum value payable is £15 for horses as compared with £10 for cows. By raising the rates of contribution as suggested the Club should in the future be in a position not only to meet expenses out of regular income but to build up a reserve fund as well. An even better plan (it is suggested) would be to abandon the fixed contribution and adopt the principle of a premium in relation to the estimated value of the animal. The owner, for example, might be required to pay 1 ½*d*. per £1 per quarter on the value of the animal, with a higher premium in the case of a brood-mare to cover the higher risk.

It should be mentioned that the costs of management in the Hadden-

ham society are exceptionally low, averaging for ten years only £5.15s. per annum, equivalent to 3 $\frac{1}{2}$d. per animal insured.

SWITZERLAND.

NEW PROVISIONS REGULATING FOREIGN INSURANCE SOCIETIES WORKING IN SWITZERLAND. — The new Decree regulating foreign insurance societies working in Switzerland is of special interest for us, owing to the fact that, as already reported in our *Bulletin* (1), when speaking of hail and livestock insurance in Switzerland, some of those societies working in Switzerland undertaking agricultural risks are foreign societies. Such are, for example, the *Badische Pferdeversicherungs-Anstalt a. g.* of Karlsruhe (Baden), the *Garantie fédérale* of Paris and the *Perleberger Versicherungs-Aktien Gesellschaft* of Perleberg in Prussia, all engaged in insuring livestock. The question of the guarantee these societies should give had already been discussed in the Federal Chamber and had attracted the attention of the authorities of the Confederation, above all of the Federal Insurance Office. But after the outbreak of the war the matter became of vital importance.

The Federal Council, therefore, decided to issue provisions that might fully satisfy the Swiss citizens insured in respect to their interests, and decreed that all foreign insurance societies authorized to work in Switzerland must deposit security to the amount of 100,000 francs, and the premium reserves corresponding with their work in Switzerland. The increase in the amount of these reserves from date of January 1st, 1915, must be deposited exclusively in Swiss securities. The Federal Department of Justice and Police, says the Decree, may fix certain terms within which every society must deposit the whole amount of its security.

This decision is certainly very important. Indeed the premium reserves of the foreign companies corresponding with their business in Switzerland would amount to about 200,000,000 frs., of which about half would belong to German societies alone. The amount of these reserves increases every year by about five or six million francs. From this it may be seen that the foreign societies will have to deposit very large amounts in Switzerland.

In virtue of this measure taken by the Federal Council, the Swiss policy holders are secured in regard to the obligations undertaken by the societies in return for the premiums they have paid.

We must observe that France and Germany have anticipated Switzerland in this matter, and many years ago adopted legal provisions similar to the above, indeed, in some respects more severe than those now adopted by Switzerland.

(1) See the article *Agricultural Insurance in Switzerland in 1913* in the number of the *Bulletin of Economic and Social Intelligence*, for November, 1915 (No. 11).

Part III : Credit

SPAIN.

SOME NOTES ON THE WORK AND DEVELOPMENT OF THE "PÓSITOS."

The work of modernising the "pósitos" and of converting their assets into cash having been begun by the Law of January 29th., 1906, the Royal Commission to which the task was entrusted by that Law has continued its efforts unceasingly since that date and, if it has not completely attained the desired end, has made steady progress in the undertaking. As illustrations of this and as indications of the agricultural and social development of Spain, the following notes are of special interest.

On other occasions we have spoken in this *Bulletin* of the origin and early character of the "pósitos," of the attainment of their highest development in the 16th. century and of their subsequent decline, as well of the deplorable condition into which they fell on account of abuses on the part both of borrowers and of managers, not to speak of the numerous losses incurred through loans made to the public treasury which were not repaid. We have also outlined the main provisions of the Law of 1906, which was passed with the object of reorganising these benevolent institutions, converting them into genuine modern organisations for supplying agricultural credit, as well as the work of the Royal Commission of "Pósitos," established for that purpose, and the principal results obtained. We need not, therefore, repeat what we have already said in previous issues, as the reader will find in them all the information necessary for a study of the question (1).

(1) See the following issues of this *Bulletin*: February, 1912 (pages 51 to 54); May 1913 (pages 137 to 139); June 1914 (pages 72 to 80) and March 1915 (pages 57 to 62).

§ 1. Condition and working of the " pósitos " in 1913 and 1914.

At the time of the formation, in 1906, of the Royal Commission with the object of " investigating the funds and property of the existing ' pósitos,' realising their credits and converting their securities into cash, the condition of these organisations was such that it was not possible to ascertain accurately the amount of cash which they had in hand, nor of their property, nor the number nor amount of their credits. Nor was it possible to ascertain whether they lent out their funds or not, nor if they were invested as they should have been for agricultural purposes, such was the disorganisation and confusion which reigned in the management of the " pósitos."

The patient and steady work of the Royal Commission has gradually enabled it, in its annual reports, to throw light upon the state of the organisations with which we are dealing, as well as all the modifications and improvements which are being introduced.

According to the two last Reports (1913 and 1914) there were 3,537 " pósitos " in Spain on the 31st. of December, 1913, and 16 others were established in 1914.

During the year 1913 the " pósitos " granted 103,689 loans to the total amount of 16,812,287 pesetas. In 1914 the number of loans granted was 120,446, for a total amount of 19,194,495 pesetas. There was, therefore, in 1914 an increase both in the number and amount of the loans granted by the " pósitos, " as compared with 1913. The increase in the number was 16.755 and in amount 2,382,207 pesetas, or 16 % and 14 % respectively.

To give an idea of the increase in the business of the " pósitos, " we give the following figures, showing the amount of loans outstanding in each year from 1910 to 1914 :

Year	Loans outstanding (Pesetas)
1910	13,902,260
1911	16,307,587
1912	21,626,705
1913	21,357,782
1914	23,274,491

This increase of almost 10 millions of pesetas in the circulating capital of the " pósitos " shows clearly the steady renovation of the institution. To the 16 new " pósitos " established in 1914 the Royal Commission has advanced 25,025 pesetas, the promotors having, on their part, contributed 7,525 pesetas. The total foundation capital of these new organisations was, therefore, 32,550 pesetas, an average of 2,034 pesetas per " pósito."

By the exercise of a steady moral influence, it has been found possible to inculcate in the borrowing farmers habits of punctuality in the fulfilment of their obligations towards the "pósitos" which were formerly unknown to them. Accordingly the figure representing the voluntary repayment of loans continues to grow, thus increasing and regularising the assets of the "pósitos" and reducing the repayments enforced by legal procedure. The following figures show the steady increase of the voluntary repayments:

Year	Voluntary Repayments (Pesetas)
1910	15,239,898
1911	14,027,492
1912	18,003,015
1913	20,683,333

Moreover by reason of this moral progress of the borrowers the number of extensions of loans decreased during the year 1914, since 16,526 extensions of loans to a total amount of 4,079,995 pesetas were granted in that year whereas in 1913 the number of extensions granted was 17,477, and the total amount of the loans concerned 4,545,497 pesetas. This improvement is specially noteworthy since it was obtained notwithstanding the general economic crisis caused by the European War. In all probability, had the farmer been able to export and sell his crop as in normal times, the number of extensions asked for in 1914 would have been even less.

However, if the facts which we have just stated show important progress in the reorganisation of the "pósitos," especially if we bear in mind the deplorable state into which they had fallen, it cannot be said that the work has been completed, since it has not yet been possible to make all the "pósitos" work satisfactorily nor have they liquidated all their assets. Let us see some particulars in regard to this matter.

We have seen that, according to the Report for 1913 of the Royal Commission, there were 3,537 "pósitos" at the end of that year. The same report classifies these "pósitos" as follows in relation to their working.

(1) 2000 "pósitos" which work satisfactorily; recover and lend out their funds regularly; manage well their property; pay their contribution to the Royal Commission and keep their accounts in order.

(2) 875 "pósitos" the working of which is defective in regard to the lending out of their funds, the recovery of debts, the payment of the contribution, and the keeping of the accounts, but which, nevertheless, are improving in their organisation, since they contain progressive elements;

(3) 662 "pósitos" which may be considered as having only a nominal existence, since they have funds and do not lend them out, do not pay the contribution, and refuse to obey the instructions of the authorities.

In like manner, the total capital of these organisations, which at the same date amounted to 95,238,053 pesetas, may be divided, in round fig-

ures, as follows: about 4 million pesetas in hand and not lent; about 23 million pesetas in outstanding loans which are certainly recoverable; about 53 million pesetas in the hands of debtors on account of old debts, almost all irrecoverable, of which there is no prospect of more than a small portion being repaid. It may be noted, however, that of the amount representing the old debts, the greater part consists of interest which has accumulated for many years and that, consequently the capital really loaned was originally much less.

The provinces in which these debts, difficult to recover, are largest in amount, are the following:

Province	Amount of debts — Pesetas
Almeria	2,055,141
Badajoz	1,798,752
Cadiz	3,902,583
Canary Isles	1,235,478
Cordova	7,227,270
Granada	4,388,818
Jaen	7,879,784
Malaga	7,451,244
Seville	7,964,188
Valencia	1,895,412

The recovery of the majority of these credits, in the opinion of the Royal Commission, would be difficult, if not impossible, since they are almost all derived from very old debts to which has accrued interest to an amount much greater than the principal (as we have noted), and the debtors are unable to repay them, either because the original borrowers have disappeared in the time which has elapsed since the loans were granted, or because they have not the means to repay so heavy a debt. In one way or another, the "pósitos" recover something from time to time under this head, so that the amounts are not to be considered as wholly lost.

Having noted some particulars regarding the condition and working of the "pósitos," let us now examine some forms of the work done by the Government and the Royal Commission towards making these organisations comply more fully every day with the modern requirements of agriculture and enlarging their sphere of action.

§ 2. The regulations for carrying out the law regarding the federation of the "pósitos."

In view of the fact that a considerable part of the aggregate capital of the "pósitos" — more than 4 million pesetas — remained lying idle even after it had been converted into cash, owing to the want of applicants

for loans in some localities and in others to want of zeal on the part of the managers, the Spanish Government issued a Decree on October 16th., 1914, authorising the formation of federations of "pósitos," in order to give mobility to their capital. We have already studied the Decree in this *Bulletin* (1), and have indicated the advantages which might result from it in the way of diffusing agricultural credit in Spanish rural districts. Although the Decree had been promulgated, however, the Regulations for carrying it out had not then been issued. These Regulations were approved and published by Royal Decree on the 30th. of September of the current year.

In speaking of the Decree regarding the federation of "pósitos" we saw that the bodies which would be formed in accordance with its provisions would have for object the unification and intensification of the action of the "pósitos" of which they would be composed in supplying agricultural credit, extending it to the whole province for the benefit of the farmers of the various districts where the affiliated "pósitos" exist. The Regulations with which we are now dealing indicate more precisely the objects of the provincial federations of "pósitos" as follows: (1) Loan transactions between the affiliated "pósitos;" (2) Making loans out of their funds, when none of the affiliated "pósitos" require them, to agricultural syndicates, rural credit banks, savings banks, popular credit banks, or similar organisations established in the province, which, besides being legally constituted, were included in the register compiled by the Bank of Spain; (3) Making loans of their capital on adequate security for the purpose of land improvement, irrigation works, or the introduction of new crops.

The duration of the loans made by the Federations will be for one year and may be extended for a further year, except for loans of the third class, which will be granted for a term of two years and may be renewed for a further period with the approval of the General Meeting. For such renewal, however, it will be an essential condition that the borrower shall have paid the interest up to date and shall reduce the loan by 25 per cent. when applying for the renewal.

The Regulations lay it down that the capital of the Federations of "Pósitos" shall be made up of:

(a) The funds which each of the affiliated "pósitos" had lying idle in its hands or on current account in the Bank of Spain;

(b) The sums which they may receive by way of gift or legacy from private individuals desirous of encouraging the development of the "pósitos" and of rural credit;

(c) The grants which may be made to them by the Royal Commission of "Pósitos;"

(d) The grants which in their respective estimates may be assigned to the Federations by the Provincial Council or by the Municipal Councils of the province.

In order to be able to ascertain the amount of the funds available under head (a), the Provincial Sections of "Pósitos" are to compile every

(1) See the issue of March 1915, pages 57 to 62.

three months a statement of the sums which the " pósitos " of the province have on deposit in the branches of the Bank of Spain, publishing it in the Official Bulletin and forwarding it at the same time to the Royal Commission. Corresponding to this provision is that whereby it will be obligatory for the Managing Committees of the " pósitos " to deposit in the branches of the Bank of Spain, in the name of the Committees, the sums which, for want of applicants, have not been lent out during the year. If in making up the accounts for the year it appears that a sum exceeding 15 % of the capital has been lying idle without being so deposited, the committeemen are to pay, out of their own pockets, 4 % interest on the sums left idle.

The Federations of " Pósitos " will be governed by a General Meeting, which will be held at least once a year, and by an Executive Committee consisting of two delegates and presided over by the Chairman of the Provincial Section. The delegates will be elected for three years by the General Meeting of the Federation, and will be eligible for re-election.

The business of the Federations will be carried on in two ways, according as the loans in question are applied for by affiliated " pósitos, " or by agricultural syndicates, chambers of agriculture, savings banks or other similar bodies.

When the loans are asked for by one of the affiliated " pósitos, " the procedure will be as follows: the " pósitos " which requires to make use of the capital of the Federation, after having so decided either at an ordinary or an extraordinary meeting, will make application to the Executive Committee. The Committee will notify the other " pósitos " of the application received, at the same time asking for particulars, which must relate solely to the guarantee which the Managing Committee of the " pósito " making the application can offer, that Committee being liable to the " pósito " making the loan. The particulars having been received, the Executive Committee will decide in the matter within the space of three days. If the decision is favourable and the application is approved, the Committee will order the transfer of the amount from the " pósito " advancing the money to the " pósito " desiring the loan.

In the second case (that is, in the case of loans to syndicates, savings banks, chambers of agriculture, etc., there being no " pósitos " making application), the amount of the capital to be devoted to this purpose and the terms proposed for the loans to these societies (1) will be advertised in the official Bulletin of the province and the principal provincial newspapers. The bodies which desire to avail themselves of these offers will address themselves, stating the nature of the transaction they propose, to the Executive Committee, which will grant or refuse the loan, after having obtained the necessary particulars.

Membership of one of these Provincial Federations is reserved for the " pósitos " which belong to one and the same Provincial Section and which join the Federation. The other bodies which have transactions with the Federations are considered merely as borrowers.

(1) See the issue of this *Bulletin* previously indicated.

Finally, the Regulations of which we are examining the provisions, lay it down that the Royal Commission of "Pósitos" shall encourage the formation of as many Federations as possible, by carrying on propagandist work to this end, and shall compile an Annual Report on the working of the Federations based on the information which they may supply. The function of the Royal Commission in relation to the Federations will be merely that of inspection, and it will only have power to decide appeals made by any affiliated "pósito" against the decisions of the General Meeting of the Federation to which it belongs.

§ 3. The establishment of the first pastoral "pósito."

As the operations of the "pósitos" originally consisted almost exclusively in making advances of seed to the farmers, the benefits conferred upon one of the most important elements in Spanish agriculture — stock-raising — have always been few or almost none. Even after the work of converting the assets of the "pósitos" into cash was begun, this continued to be the case, notwithstanding that the Law of 1906 indicated amongst the objects of these organisations the granting of loans for facilitating the "acquisition or use of any articles required in agriculture or stock-raising." In essentially pastoral districts, such as Galicia and the Basque Provinces, no "pósito" yet exists.

After the promulgation of the Law of 1906, it was considered that, when once reorganised, the "pósitos" should admit the stockowners to their advantages, and thus, from the beginning, it was suggested to form new institutions, based on the modern organisation introduced by the law, for exclusively pastoral purposes, since the existing "pósitos," being far from the pastoral regions, could be of but little advantage to the pastoral industry.

The Count of Retamoso, one of the first Royal Commissioners of "Pósitos," endeavoured during his term of office to found a pastoral "pósito," without, however, being able to carry out his project. What on that occasion remained merely a project has now been actually carried out, thanks to the combined efforts of the Royal Commission of "Pósitos," at present presided over by the Marquis of Valdeiglesias, and of the General Stockowners' Association, of which the Duke of Bailén is President.

Passing to examine the organisation of this new body, we note first that in its rules the objects are stated to be: (1) to make loans to stockowners, syndicates and co-operative societies, formed for exclusively pastoral purposes: (2) to make loans to the Local Stockowners' Committees, which are duly constituted and in which the liability of the members is unlimited; (3) to make loans to stockowners who are members of the General Stockowners' Association, on mortgage, pledge, or personal guarantee; (4) to act as a savings bank, paying interest which shall not exceed 3 %.

The capital of the " pósito " will be formed by :

(*a*) The initial capital of 100,000 pesetas ;

(*b*) The profits derived from its transactions ;

(*c*) The grants and gifts which it may receive.

To the formation of the initial capital the Royal Commission of " Pósitos " contributed 50,000 pesetas and the General Stockowners' Association the remaining 50,000 pesetas.

With regard to the operations of the new organisation, its rules lay down the following conditions. The syndicates, stockowners' co-operative societies and Local Committees, will address their applications to the Permanent Committee, accompanied by documents which will show the unlimited liability of the members and the liquid taxable assets which they possess, as well as the taxes which they pay.

A Committee, nominated by the Permanent Committee, will examine the application and will grant or refuse the loan, and no appeal can be made against their decision. The loans will be granted for one year, renewable for another year; interest will be payable at the rate of 1 % per quarter, fractions of a quarter being treated as a quarter.

When the loan is being applied to the acquisition of machinery or requirements for the pastoral industry, or industries derived from it, the " pósito " can advance two thirds of the price, retaining the article purchased as its own property, though in the use of the purchaser, until the price has been paid in full. It will also advance money for the purchase of sires to the live-stock improvement syndicates, the animals purchased forming the security for the repayment of the loans.

The " pósito " can even, in specific cases and with the consent of the Committee, assist the mutual insurance societies, subject to the following conditions : (1) that they are mutual societies of stockowners, that the liability of the members is unlimited, and that they do not exclude losses caused by epidemics ; (2) that their rules have been approved by the General Stockowners' Association.

The loans to stockowners who are members of the Association will be made on pledge, on mortgage, or on the joint and several security of the applicant and another person approved by the Committee.

The stockowners who have delivered wool, live stock, or other pastoral produce to the Association for sale on commission, or who graze cattle on the pasture-land or meadows of the Association, will have the right to obtain, if they so desire, 50 % of their value, as an advance from the funds of the " pósito. "

No stockowner or society to whom a loan has been granted will be able to obtain another loan until the first has been repaid, unless he specifically applies for an increase, justifying his need and giving a new guarantee.

The management of the " pósito " is entrusted to a special Committee, consisting of six members and nominated from amongst the Permanent Committee. The members of the Permanent Committee will not receive any remuneration and the sums which may be received under this head will be

handed over to the Association to meet the expenses which may be incurred in regard to the "pósito."

The "pósito" will pay to the Royal Commission, by way of contribution, 1 % on the 50,000 pesetas granted by it. In its turn, the "pósito" will retain as remuneration, half of the amount of the interest paid on the loans.

Lastly, we may note that the "pósito" is founded for an indeterminate period. It can be dissolved by resolution of the General Committee of the General Stockowners' Association. In case of the dissolution of the "pósito" the Association will repay to the Royal Commission of "Pósitos" the 50,000 pesetas received from it, with the increase which may have accrued to it.

From what precedes, it will be seen that this first pastoral "pósito," which has just been formed in Spain to encourage stock-raising is still of modest dimensions, as far as the number of stockowners who may aspire to benefit by it is concerned. That is due to the fact that the new organisation is regarded as an experiment. If in practice the new "pósito" fulfil, as is anticipated, the hopes of its founders, it will be able to obtain, later on, a larger capital and thus convert itself into a veritable, though small, pastoral bank. In Spanish rural circles the success of the new organisation is considered assured, in view of the ease and convenience of its operations, the importance and prestige of the General Stockowners' Association, under whose auspices it has been formed, and the capacity and standing of its managers.

The new "pósito" certainly meets a need which was strongly felt and may be the starting point of a form of credit organisation which may bring important improvements and advantages to stock-raising and the industries derived from it.

ITALY.

WORK OF THE LAND CREDIT INSTITUTES IN 1914.

SOURCES:

CASSA DI RISPARMIO DELLE PROVINCE LOMBARDE IN MILANO: Credito fondiario. Bilancio consuntivo dell'anno 1914. Anno XLVII dell'Esercizio (*Savings Bank of the Lombard Provinces in Milan: Land Credit Department. Balance Sheet for the Year* 1914. *Forty seventh Working Year*).

CASSA DI RISPARMIO IN BOLOGNA: Credito fondiario: Resoconto del 1914 (*Savings Bank in Bologna: Land Credit Department: Report for* 1914). Bologna, 1915; Merlani.

CASSA DI RISPARMIO DELLA CITTÀ DI VERONA: Cassa di Risparmio, Credito fondiario e Fondo pensioni. Bilancio Consuntivo dell'anno 1914 (*Savings Bank of the City of Verona: Savings Bank, Land Credit and Pension Funds Departments. Balance Sheet for the Year* 1914). Verona, 1915: Franchini.

CREDITO FONDIARIO SARDO IN CAGLIARI: Resoconto dell'anno 1914 (*Sardinian Land Credit Institute in Cagliari: Report for the Year* 1914).

ISTITUTO ITALIANO DI CREDITO FONDIARIO IN ROMA: Relazione del Consiglio d'amministrazione e dei Sindaci sull'esercizio 1914 (Ventesimo quarto). (*Italian Land Credit Institute in Rome. Report of the Board of Management and the Examiners for the year* 1914. *Twenty fourth Year*). Rome, 1915: Bolognesi.

ISTITUTO DELLE OPERE PIE DI SAN PAOLO IN TORINO: Credito fondiario. Conto consuntivo: esercizio 1914 (*Institute of the "Opere Pie di San Paolo" in Turin: Land Credit Department. Balance Sheet for the Year* 1914). Turin, 1915: Società Tipografico-Editrice Nazionale.

MONTE DEI PASCHI DI SIENA: Conto consuntivo per l'esercizio 1914 (*Siena "Monte dei Paschi": Accounts for the Year* 1914). Siena, 1915: Lazzeri.

In the number of this Bulletin for last October we considered the work done in 1914 by the special agricultural credit institutes or those authorized by special laws for this form of credit and we saw that they granted the farmers last year more than 43,000,000 frs. in loans; let us now consider the work done in the year by the land credit institutes, according to the last reports published by them.

§ 1. ITALIAN LAND CREDIT INSTITUTE.

In 1914 this Institute, which has existed for 24 years, received 247 applications for loans for 28,127,500 frs. Adding to these those remaining to be dealt with from 1913 (475 for 42,951,500 frs.), and those again taken

into consideration (9 for 642,000 frs.) and those in the case of which application has been made for the amount to be increased (3 for 281,500 frs.) we get for 1914 a total of 734 applications for an amount of 72,002,500 frs.

In satisfaction of 116 of these, definite contracts were passed for a total amount of 10,721,000 frs., with a decrease of 60 loans for 4,481,500 frs., as compared with 1913. Of the loans granted in 1914, 57 for 6,922,500 frs. were granted on the security of rural land, especially in Apulia (12 for 2,323,000 frs.), in Campania (10 for 331,500 frs.), in Sicily (8 for 351,500 frs.), in Venetia (5 for 1,767,500 frs.) and in Emilia (5 for 1,066,000 frs.), and 59 for 3,798,500 frs. on the security of urban land. In this connection, we must observe that in the last five years the loans on urban estate, which for some time exceeded those on rural estate, have been gradually diminishing, so that in 1913 and 1914 those on rural estate preponderated. As regards amount, the loans granted in 1914 were distributed as follows:

	Number	Amount frs.
Up to 10,000 francs	5	45,500
Between 10,500 and 20,000 francs	25	401,000
» 20,500 » 50,000 »	42	1,476,000
» 50,500 » 100,000 »	20	1,599,000
» 100,500 » 500,000 »	22	4,499,500
Above 500,000 francs	2	2,700,000
	116	10,721,000

And they were distributed as follows according to the term for which they were granted.

Years	Number	Amount frs.
From 10 to 15	4	106,500
» 15 » 20	3	132,500
» 20 » 25	5	214,000
» 25 » 30	8	153,000
» 30 » 35	—	—
» 35 » 40	51	3,621,000
» 40 » 45	—	—
» 45 » 50	45	6,494,000
	116	10,721,000

The loans were granted at 4 % interest.

The total number of loans passed from the foundation of the Institute (1891) up to December 31st., 1914 was 3,327, for a total amount of 270,206,550 frs., of which 1,911 for 142,915,300 frs. were granted on the security of rural estate and 1,416 for 127,291,250 frs. on that of urban estate. Dividing them according to the situation of the land mortgaged, we find : loans in North Italy, 139 for 15,199,500 frs. ; in Central Italy, 1,028 for 102,603,100 frs. ; in South Italy, 2,160 for 151,603,950 frs. More than two thirds of these loans were for amounts not exceeding 50,000 frs. Between 1903 and 1914, the loans granted by the Institute amounted to 162,704,550 frs. ; of this amount, 71,965,825 or 44 % were borrowed to extinguish more burdensome mortgage debts and relieve the estates from other real charges. The mortgages paid off in the above period, by means of these loans, amounted to 70,655,936 frs., distributed as follows in regard to the interest paid :

	frs.
From 4 to 6 %	52,858,799
» 6 » 8 %	11,734,264
» 8 » 10 % and higher . . .	1,226,955
Interest not stated	4,835,918

The benefit reaped by landed estate in the twelve years by the extinction of mortgages to the above amount of 70,655,936 frs. is still more apparent when we consider that they were mostly extinguished by means of loans at 3 ½ %. It is especially interesting to consider how the amounts employed for relief from charges and for extinction of burdensome mortgage debts were distributed in the different parts of the Kingdom.

	frs.
North Italy	3,452,970
Central Italy	26,486,401
South Italy	42,026,454
	71,965,825

It follows, therefore, from these figures that South Italy especially profited by the operations between 1903 and 1914, to the amount of 42,026,454 frs. or about 58 % of the total. North Italy benefited to the amount of 3,452,970 frs. or 5 %, and Central Italy to that of 26,486,401 frs. or 37 %.

§ 2. The land credit department of the savings banks of Milan, Bologna and Verona.

In 1914, the Land Credit Department of the *Cassa di Risparmio delle Provincie Lombarde* (Savings Bank of the Lombard Provinces) granted 274 loans for an amount of 19,651,000 frs. Ninety-four loans, for 7,124,000 frs., were granted on rural land, 170 for 11,977,000 frs. on urban land and 10 for 550,000 frs. on land both rural and urban.

Among the provinces that profited most by this credit on the security of rural estate, were especially those of Mantua, 25 loans for 1,615,500 frs., Grosseto, 2 for 770,000 frs., Modena, 6 for 618,000 frs., Udine, 2 for 615,000 frs. and Venice, 3, for 457,000 frs.

More than half the loans (169) were for amounts between five and fifty thousand francs and about half (132) for a period of 40 years.

In 1914 the Land Credit Department of the *Cassa di risparmio di Bologna* granted 89 loans for a total amount of 4,798,000 frs. Of these, 64 for 3,237,000 frs., were secured on urban estate, 19 for 391,000 frs. on rural estate, and 6 for 1,170,000 frs. on estate both rural and urban. Further, 6 loans were for amounts of between 500 frs. and 5,000 frs., 12 for amounts between 5,000 frs. and 10,000 frs., 21 for amounts between 10,000 frs. and 20,000 frs., 22 for amounts between 20,000 frs., and 30,000 frs., 5 for amounts between 30,000 frs. and 40,000 frs., 7 for amounts between 40,000 frs. and 50,000 frs., 8 for amounts between 50,000 frs. and 100,000 frs., and another 8 for amounts exceeding 100,000 frs.

The province that benefited most by this credit was Bologna (78 loans for 4,525,000 frs.).

It must further be mentioned that, of 89 loans, 30 were granted to institutions for building houses for the people, for which purpose this Institute had on December 31st. last lent 5,226 000 frs.

Between the foundation of the institution (1868) and the end of 1914 3,290 loans were passed for a total amount of 127,253,500 frs., with an average amount of 38,679 frs. per loan.

Finally, the Land Credit Institute of the *Cassa di risparmio di Verona* granted in 1914, 67 loans on mortgage for a total amount of 2,061,000 frs., against 108 loans for 3,368,500 frs. in 1914.

Between 1902, its first working year and the end of 1914, 1,011 loans were granted for a total amount of 30,429,500 frs. Of these, 306, for 6,121,000 frs. were granted on the security of urban estate, 638 for 21,880,000 on that of rural estate, and 67 for 2,428,500 on estate both rural and urban. The largest amounts were lent in the province of Verona (6,838,500 frs.), Venice (5,537,500 frs.), Mantua (4,589,000 frs.) and Padua (3,376,500 frs.).

§ 3. The land credit departments of the Turin institute of "Opere Pie di S. Paolo" and the Siena "Monte dei Paschi," and the Sardinian land credit institute in Cagliari.

The loans concluded in 1914 by the Land Credit Department of the *Istituto delle Opere Pie di S. Paolo* in Turin were more numerous and less in amount than in 1913. Indeed, while in 1913 it granted 195 loans for 9,362,500 frs., in 1914, 204 loans were granted frs. 7,006,500 frs., that is to say 9 loans more and 2,356,000 frs. less.

As regards amount, the loans granted in 1914 were distributed as follows:

	Number	Amount
Loans of not more than 10,000 frs.	94	568,000
» » between 10,500 frs. and 20,000 frs. . .	37	601,000
» » » 20,500 frs. » 100,000 frs. . .	59	2,830,500
» » » 100,500 frs. » 500,000 frs. . .	14	3.007,000
Total . . .	204	7,006,500

In regard to the terms for which they were lent, they may be classified as under:

	Number	Amount
Loans for from 10 to 20 years	23	509,000
» » between 20 and 35 years	23	604,000
» » » 35 and 50 »	158	5,893,500
Total . . .	204	7,006,500

Finally, in regard to the nature of the estate mortgaged, we find:

Loans on Urban Estate		Loans on Rural Estate		Loans on both Urban and Rural Estate		Total	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
184	4.833,000	16	1,890,500	4	283,000	204	7,006,500

The largest number of loans were received in the provinces of Genoa (100 for 1,453,000 frs.), Turin (55 for 1,821,500 frs.) and Rome (16 for 598,500 frs.).

We find that the Land Credit Department of the *Monte dei Paschi di Siena* in 1914 passed 202 loans for the total amount of 5,116,500 frs., 79 of them (2,609,500 frs.) secured on rural land, 116 (2,348,500 frs.) on urban land and 7 (158,500 frs.) on both urban and rural land.

The province of Forlì received the largest number of loans (38 for 325,500 frs.), and then the provinces of Perugia (26 for 525,500 frs.), Pisa (21 for 709,500 frs.) and Pesaro and Urbino (10 for 237,000 frs.).

Since the date of its foundation (1868) and up to December 31st., 1914, this Institute granted 4,837 loans for a total amount of 154,143,500 frs., 2,236 for 79,735,000 frs. on rural estate, 1,722 for 32,624,500 on urban estate, and 879 for 41,786,000 frs. on estate both urban and rural.

Finally, the *Credito fondiario sardo in Cagliari* granted mortgage loans in the year to the amount of 229,000 frs. The amount of its loans on December 31st., was 2,316,640 and the vaue of its bonds in circulation was 2,382,500 frs.

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The seven land credit institutes working in Italy thus granted in 1914 mortgage loans for a total amount of 49,583,000 frs. against 62,846,500 frs. in 1913, 76,249,750 frs. in 1912, 78,896,000 frs. in 1911, 74,111,500 frs. in 1910 and 59,713,800 frs. in 1909.

Part IV: Miscellaneous

UNITED STATES.

THE NEEDS OF AMERICAN FARM WOMEN: AN ENQUIRY BY THE DEPARTMENT OF AGRICULTURE.

SOURCES:

SOCIAL AND LABOR NEEDS OF FARM WOMEN. United States Department of Agriculture, Report No. 103, Washington: Government Printing Office, 1915.

DOMESTIC NEEDS OF FARM WOMEN. United States Department of Agriculture, Report No. 104, Washington: Government Printing Office, 1915.

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REPORT OF THE SECRETARY OF AGRICULTURE FOR 1913. Yearbook of the United States Department of Agriculture. Washington: Government Printing Office, 1914.

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INTRODUCTION.

In his annual Report to the President (Dec. 1st, 1913), the Secretary of Agriculture of the United States devoted a special paragraph to the "Woman on the Farm", from which we quote the following:

"The woman on the farm is a most important economic factor in agriculture. Her domestic work undoubtedly has a direct bearing on the effi-

ciency of the field workers, her handling of the home and its surroundings contributes to the cash intake, and, in addition, hers is largely the responsibility for contributing the social and other features which make farm life satisfactory and pleasurable... The facts that the woman's work and time have a real monetary value and that her strength is not unlimited have not been given the consideration they deserve. As a result on many farms where there is always money enough to buy the latest agricultural appliances, there is seldom a surplus to provide the woman in her productive work with power machinery that will lighten her physical labor, running water that will relieve her of the burden of carrying from the pump all water used in the household, or kitchen equipment and household devices that will save her time, increase her efficiency, and enable her to make important monetary saving. The Department believes that intelligent help to women in matters of home management will contribute directly to the agricultural success of the farm. It purposes, therefore, to ask Congress for means and authority to make more complete studies of domestic conditions on the farm, to experiment with labor-saving devices and methods, and to study completely the question of practical sanitation and hygienic protection for the farm family."

In making this recommendation the Secretary of Agriculture is faithful to the traditions of his Department, the activities of which are not only legislative and administrative, but more especially educational, on broad lines of national development and conservation. The general activities of the Department are, indeed, defined as follows in the Yearbook for 1913:

"Broadly speaking, the Department of Agriculture is concerned with such matters as the production of crops, timber, and flocks and herds, with studies of plant and animal diseases and their control, with the establishment of standards of quality, with the protection of agricultural products from adulteration, with the processes for converting raw products of agriculture into finished products ready for use, with insect enemies and their control, with agricultural engineering problems, with rural economics, with rural life and activities, and with educational problems pertaining to all of these. Information is gathered in the field, in the laboratory, and in other ways, and the results are spread broadcast by means of publications, demonstration work, through the agricultural colleges, and through other organised methods of education.

"In answering the questions which arise in the minds of the producers on the farms the investigator almost inevitably furnishes information about the commodities which the housekeepers buy and use and whose composition they should understand. Help for the housekeeper, who directs the spending of the family income, or, as the economist would put it, represents consumption, is, in fact, not only one of the inevitable by-products, but one of the very valuable main products of agricultural research, and is clearly recognised as such by the Department."

To ascertain the fields in which farm women desire specific assistance, the Department of Agriculture addressed, on October 1st, 1913, a letter of inquiry to the housewives of 55,000 progressive farmers in all the

counties of the United States. This letter asked no questions and left every woman free to discuss any need which occurred to her. She was invited to take the matter up with her neighbours, and make a reply which represented not merely her personal need but the recognised need of the women of her community. Replies were received from over 2,000 women living in all parts of the country, and a careful examination of these replies led to the publication of four reports on the social and labour, domestic, educational, and economic needs of the farm housewife. These reports consist mostly of classified extracts from the answers received by the Department, and throw valuable light on the economic and social status and the special needs and aspirations of the American farm woman.

One of the reasons given by the Department for the publication of these reports is that they contain suggestions which may prove helpful to the State agencies in carrying out the recently enacted Smith-Lever Extension Act, (May 8, 1914). This act, starting with a grant of $10,000 of Federal moneys to each State for agricultural extension and educational purposes, will, by increasing appropriations, make available in 1922 and thereafter a sum of $4,580,000 of Federal funds for such purposes. Under this act the States must duplicate with their funds all but $480,000 of each annual Federal appropriation, so that after 1921, if the States elect to receive their full quota, the sum of $8,660,000 will be spent each year in practical on-the-farm education. In the first nine fiscal years a total of $41,920,000 should be directed to this purpose.

The funds appropriated under this Act are given to the State agricultural colleges to enable them to employ men and women as county agents and experts who will move about among the farming people, demonstrate good methods of agriculture and home economics, co-operate with them in studying their farm and home problems, and assist them in the adoption of better methods on their farms or in their homes.

Already many of the colleges have appointed women as extension experts in home economics, and others are planning to do so. In nearly all the Southern States women county agents are already at work in connection with the demonstration work carried on by the agricultural colleges and the United States Department of Agriculture. These agents will enroll women in home demonstration work and will continue to conduct girl's clubs. They will have the women demonstrate the preparation and use of products from canning clubs, poultry clubs, pig clubs, and the winter garden. Accompanying the use of the club products, the women on the farms will be shown how to make or secure labour-saving devices and conveniences. They will also be encouraged by the county agents to find and extend to others the best methods of work and conveniences already discovered and in use in their communities. The number of home economics experts who are doing work among the farm women is being rapidly increased. It is hoped that before long there will be women agents in every county in the United States.

§ 1. Social needs of farm women.

Let us now examine the social conditions of the American farm woman as revealed by herself in the letters published in the first of these reports.

The first impression received on reading this interesting human document is that the standard of life of the American farm woman is high indeed when compared to conditions generally prevailing among her sisters in other countries. When asked to state her needs, it is not to the necessities of life that she lays claim, but to its comforts and pleasures. The loneliness, isolation, and lack of social and educational opportunity on the farm, these form the main text of letters from all parts of the United States. The following quotations are typical:

New York. — " The hardest phase of country life for the women in my neighborhood is the monotony, with no means or opportunity for any social life whatever... Life is dreary indeed with never an afternoon or an evening spent away from home."

Ohio. — " In all these years I have never had a vacation, never belonged to a club or any organisation, and never went to church or an entertainment; had no time to visit a neighbor — just worked early and late with a snatch for reading between."

Wisconsin. — " The woman has no time to give to the little feminine accomplishments enjoyed by women and no opportunity to use the sitting room and its easy chairs."

But that there is a bright social side to American farm life is shown by the following from an Iowa correspondant:

" The farmers' wives on farms in Iowa have rural delivery, phones to call up any neighbor, and electric machinery to drive the washer, pump and cream-separator. And now with the auto to take them where they please, with the good moral atmosphere in which to raise a family, the long winter evenings with the family at home, with good books and papers, the country beats the city, with all its nervous strain, all to pieces."

The following quotation, in contrast with the spirit of many others, shows a wholesome appreciation of the fact that a government cannot legislate on " happiness."

" I really do not see what the government could do to better my condition. The government owes me protection of life and property, but my happiness I must work out myself. Law-making to affect our home and family affairs is not necessary; we make our own laws in these matters."

(1) *Womens' Clubs and Co-operation.*

As a remedy for the social drawbacks complained of, many of the letters urge co-operation among women in the form of neighbourhood clubs. These, it is claimed, would promote better education in practical matters

and fuller social and intellectual life. This idea is clearly expressed by a Connecticut correspondent:

"The department should aid farmers' wives in the formation of clubs that will bring them together for sociability, recreation, and a reasonable amount of intellectual intercourse. A nearby country community has a club of the sort we mean. It will have a certain topic assigned for each meeting, music or possibly readings or recitations, and then a kind of open forum for the discussion of everything, from the chestnut blight to the Volturno disaster. Refreshments are served. This kind of thing brings farm women out of their isolation into an atmosphere of clubability and cheery common interest. The monotony of farm life is one of the trials women have to bear; the Department may help to relieve it."

Many correspondents express the idea that such clubs, which might be a by-product of the rural church and the rural school, would secure to women opportunities for social intercourse and also, if connected with lending libraries and reading classes, might train them to read intelligently.

In the Middle-Western and North-Western States, where population is scanty and distances great, the dull monotony of the farmers' life is the burden of complaint. "We want suggestions for high-grade amusements for leisure hours by means of such moderate priced talking-machines and picture shows as will best develop individual character and give knowledge of the great outside world", writes a Colorado woman. Another suggestion made by many is for the organisation of village rest-rooms where farmers' wives could meet when going to market in town.

(2) *The Labour Question.*

The difficulty and, in many cases, the impossibility of securing any kind of domestic help in many districts entails long hours and overwork for the housewife, and the Department is urged by its correspondents to place immigrants in farm occupations. "Why can't an agricultural official be at Ellis Island and get hold of the immigrants who want and ought to farm, and by keeping in touch with farmers in every State know where to send them?," writes an Ohio woman.

With regard to this the Report points out that the Division of Information in the Bureau of Immigration, United States Department of Labour, is engaged in an effort to promote a beneficial distribution of admitted aliens and other residents. With that end in view the Department of Labour has established 18 distributing centres, covering the entire country, with an office or offices in each zone. The particular features of this undertaking of interest to women are the effort to direct from congested centres of population to the farms and rural communities men, women and girls to engage in farm or domestic work, and the opportunities that will be presented to women to engage in seasonal occupations on farms or in other rural communities.

Replies received from the Southern States indicate the poorer condition of those farming populations as compared with those in other sections.

They complain of the heavy field work, cotton hoeing and picking which falls to the lot of the Southern farm woman, particularly to the wife of the poor tenant farmer. One correspondent, a man, writes :

" It is the wife of the tenant and poor farmer who needs help. She has a hard roe to hoe. She has very few labor-saving implements, no electrical or gasoline power, but does nearly all her work by "main strength and awkwardness." Thousands rise at 4 a. m. and peg away until 10 p. m. The Union man and " industrial worker " does his eight hours... and then agitates for shorter hours and more pay, but the wife of the tenant or poor farmer has no time to agitate, strike, or walk out. Her pay is plain board and clothing. Very few ever see a State fair, get a week's vacation, or even an auto ride. "

And again :

" The condition of the farm women of the South is most deplorable... The routine of the southern farm woman is about as follows : at this time of the year she is up at 5 a. m. preparing the breakfast, often building up her own fire ; milks the cows, cares for the milk, churns the cream by hand. Puts the house in order, gets the dinner, eats with the family at noon : leaves the house in disorder, goes to the cotton field and picks cotton all the afternoon, often dragging a weight of 60 pounds along the ground. At about sundown she goes to the farmhouse, puts the house in order, washes the dishes left over from the noon meal, prepares the supper, most of the time too tired to eat ; gets the children to bed, and falls asleap herself, and so it goes on from day to day. Somehow she finds the time to do the washing and ironing, mending, knitting, and darning in between times. ...The above description applies to negroes, to white tenants, and to the young farmers who are trying to build their homes. "

(3) *Co-operation in the Home.*

The successful operation of co-operative creameries and cheese factories suggests to many housewives the application of the same principles to housework. Co-operative laundries and bakeries are advocated, and the Department is asked to supply information as to the cost of installing such institutions. Also the co-operative boarding of farm-hands is suggested as a means of relief for the overworked farm-woman. These ideas are expressed by a number of women from all sections. We quote the following :

" The only thing in sight to lighten the burden of the indoor worker is co-operation. We have arrived at a place where individual effort in many things has proven to be wasteful in cash and human energy, and we are making new discoveries along that line. The thing that presents itself forcibly to my mind is a community plant for doing the laundry work, making the sausage, rendering the lard, canning and evaporation of fruits and vegetables for the farmer's use. Such a plant for the accommodation of from 25 to 50 families, or, in other words, one for the convenience of the patrons of each district school, would cost from $ 700 to $ 1,000, building included. "

Michigan. — "Co-operation in housework we believe is still in the experimental stage, but if it could be profitably established in a community it would leave the housewife much more time to devote to her children, the garden, and her chickens."

(4) *Roads, Mails and Telephones.*

Coming down to practical matters in which the Department could take the lead, women and men in almost every State hold that the greatest service which it could render to the farm population would be the systematic improvement of country roads. Many make a point that roads especially adapted to winter conditions would have a very important social effect. During the summer months the farm population, especially the women, are too busy to do much visiting and by the time the crops are marketed and some leisure and recreation are possible, the roads are so muddy that it is impossible or very difficult to drive over them, with the result that during the winter months the women can seldom reach a town or even visit their neighbours.

Next to this comes the demand for the extension of rural free delivery of mails. However, it is pointed out that since the Department made its enquiry a number of changes in rural delivery systems and in the parcel post service have been made which, in a large measure, comply with these requests.

The value of the telephone as an assistance in the marketing of their produce as well as its use as a social factor, is dwelt on by several correspondents who urge the advantages of Government ownership. On this head a Kansas woman writes:

"Give us better telephone service. Here in Kansas the farmhouses are from one quarter to half a mile apart and often from 1 to 2 miles to the neighbor we are most interested in, so you can readily see that a good telephone service means much not only to the farm woman but to the farm also. We are now supplied with several different systems. Some have no connection whatever with each other, others connect by charging toll. We are 18 miles from a city. The telephone toll is 15 cents. The prices of our farm products are regulated by the city, but we cannot afford to pay the toll to inquire the price of poultry or fat stock many times before starting with a load, so we have to depend on the local buyer who charges a big commission".

§ 2. Domestic needs of farm women.

Perhaps no section of the report gives so vivid an idea of the difference in the standard of comfort of the American and European farm-woman as the one dealing with domestic needs. Conveniences which are only just

beginning to enter the homes of the well-to-do city dweller in Europe are here referred to as necessities, and their absence is regarded as a hardship.

The peculiar American genius for labour-saving machinery is here brought to bear on the home, and mechanical devices for washing, cooking, cleaning, etc., are claimed by the American housewife as her due and their extensive application is expected to result in time and opportunity for social intercourse and intellectual development by means of which the household drudge will evolve into the business partner of her husband and the educator of her children.

(1) *House Planning and the Installation of Labour-saving Machinery.*

Many correspondents ask the Department to send out plans for the construction of model farmhouses which will be cheap, convenient, and attractive.

" The country houses are ill planned with very few modern conveniences. The men don't care how hard the women work to do their tasks if only they themselves are provided with food regularly and their own comfort looked after. The fact that women are forced to go pump, and carry water from the well, that they work in dark, poorly lighted rooms, that they mop hardwood floors, take millions of needless steps a year to accomplish their work because of the way the house is planned, that they spend hours upon hours a year cleaning dirty kerosene lamps and lanterns that give no light after they are cleaned, that their whole house is infested with flies in summer because porches are not screened — all these facts and many more unpleasant conditions matter not to the men. " So writes a New York farm-wife, to quote only one of many similar letters.

The desire for a more attractive home is evidently strong and widespread. In addition to seeds, bulletins and books on the most attractive ways of laying out grounds are requested by many. The feeling is general that the attractiveness of one's surroundings is of more importance than the practical farmer is inclined to consider, and that the Government might, therefore, take steps to remedy the consequent neglect.

That any device which will lessen labour in the fields is purchased without hesitation but that no labour-saving devices are introduced into the home is an almost universal grievance. Among the appliances for which there appears to be the most demand are vacuum-cleaners, washers, wringers, separators, power for lighting and various other purposes, better systems of heating, oil-stoves, gasoline or electric irons, etc. We quote at random from a few typical letters received on this head :

Massachusetts. — " The problem is to awaken a different ideal of farm life — an ideal that gradually, and with the new generations, will set her part in its proper relation to that of the farm man, and will give effective and intelligent attention to providing efficient devices and conveniences for her use. It will try to lead her out of old customs into employing these better conveniences and to give intelligent thought to the planning of her work

so that she may have it well in hand with time for relaxation and other interests ".

Connecticut. — " The Department should demonstrate and then approve in some way, as they see fit, the following: the best cookstove, one that will do the best work with the least fuel, coal or wood ; also washing machines, dishwashers, vacuum sweepers, etc. As it is, none of these machines have a stamp of approval. Agents sell to all who will buy, and the result is thousands of dollars are invested in worthless goods that soon find a resting place in the garret, and the poor housewife struggles harder than before, for often the money to buy this needed help has been borrowed, which makes another weight to an already heavy burden. "

Michigan. — " There are no modern conveniences for her use, such as water in the house, bath, modern lights, vacuum-cleaners, etc., and often not even such unexpensive things as oilstoves, washing machine, gasoline iron, breadmixer, and many other such items which help so much to lighten the woman's work, while the men have all the modern machinery and farm-implements which their work requires. "

The Department is requested to publish lists of practical and efficient household devices ; to explain the general principles involved in them ; to educate the farmer to the need and economic advantage of supplying his women folk with such conveniences. In reply to these requests the Report points out that a study of household labour is at present being carried on by the Nutrition Investigations Office of the Department. Experimental data are being collected regarding the lessening of labour, standardisation of methods, and equipment for the processes of cooking, laundry work, cleaning, etc., and the most convenient height for the work table, sink, stove, laundry tubs, ironing board, etc. Attention is also being given to the placing of the equipment of the kitchen, pantry, laundry, and storeroom or cellar so as to secure greater convenience and fewer steps in housework. It is proposed also to study the relative efficiency, convenience, durability, and ease of cleaning of various articles of household equipment, with a view to standardising the same. Information is also being collected as to the efficiency, care and use of labour-saving machinery of special interest to the housekeeper, such as washing machines, vacuum-cleaners, buffing and polishing machines, power knife sharpeners, steam cookers, etc. Information on these matters has been supplied through correspondence and conference, and bulletins are planned as a result of projects now under consideration.

Closely connected with the question of labour-saving devices in the home is the question of securing cheap power for the many purposes to which it can now be put. Many argue that the water power which is now going to waste could be made to generate enough electric power to relieve the housewife of her most laborious and distasteful work; it would run washers and wringers, pump water, operate cream separators and churns, light, heat, and cook.

These ideas are expressed by a number of correspondents from all sections of the Union. We quote the following from a Kansas woman :

" The thing she needs in this day and time is electricity. Then when her house is lighted, her cream separated and churned, her washing, ironing, and sweeping, her sewing machine run by the same power, and she relieved from the drudgery of washing and filling lamps, lifting and washing jars, pans, and all those other old hard things, she can have some time for a social life and the improvement of her mind. The only way I can see is for the Government to furnish, at a reasonable price, electricity to every farm ".

(2) *Water supply, Heating, Lighting, and Sanitation.*

No correspondents write with greater emphasis and conviction than those who treat of the problem of water supply. Over and over again it is stated that an adequate water supply in every farm house would be the greatest boon that could be given the rural population. Requests are numerous for authoritative descriptions of plumbing systems that can be installed economically and with home labour, and the hygienic necessity of such improvements is dwelt on at length.

There is also a general feeling that the old-fashioned oil-lamps and wood or coal ranges are antiquated and should be replaced by electric lamps and heaters.

An urgent plea also comes from the American farm-woman for better education on sanitation and hygiene. The proper ventilation of the home, the construction and use of the " septic tank, " the removal of manure and the destruction of the house-fly are all matters on which she asks the Department for information.

(3) *Home Economics.*

" We hear so much about ' balanced rations ' for farm animals of all kinds, why not apply it to the human race " writes a Michigan woman. And from North Carolina comes the request :

" I want first to understand how to prepare, cook and serve a balanced ration to my family. This may be done by the Government sending us lessons in so simple a language that we young women who have married and are trying to raise a family on less than a common-school education can take it in. I have read some on the subject ; the ratios and scientific words I can't take in. "

Again from Illinois comes the appeal :

" Those of us who are older and missed the advantages of domestic science would like to know something of a balanced ration for our families. I know something of this but ought to know more, as our children are the most important crop we have. "

An Indiana woman certainly looks upon the Department in the light of " guide, philosopher, and friend " when she writes :

"Give us recipes for good wholesome meals to be served three times a day, and such that when an unexpected guest arrives at the last minute he may be invited to dine with us without extra work or embarrassment."

Nor has Uncle Sam been deaf to the request, for the Report states that "for some 20 years past the Department of Agriculture through its Nutrition Investigations, has carried on a study of the value of agricultural products as food in the home. This work has included studies on the nutritive value and digestibility of foods, their preparation for the table, the planning of meals, dietetics in the household in the country and in town, and in institutions, the care of food in the home, the prevention of household wastes, and numerous other related topics"; while the demand for a government cookery book has been met by the publication of a whole series of bulletins on foods and their preparation, including No. 11, "American Foods and Cooking," popularly known as "Uncle Sam's Cook Book."

(4) *Medical Assistance.*

In the important matter of medical attendance and care of the sick it would seem that the American farmer and his family are behind the European. Many writers complain bitterly of the large fees, up to $25, charged by physicians called to the farm, and frankly state that medical and dental attention is beyond the average farmer's reach. It is pointed out that in cases of swine fever or other animal diseases the government helps with advice or sends a specialist to their assistance, but that when human life is concerned the farmers have to take their chances, and face illness and emergency in helpless ignorance.

Many correspondents strongly advocate the provision of rural nurses and medical inspection of country schools as means of preventing and combating disease. At present this need is met only by the American National Red Cross through its town and country nursing service; but this service should be extended and made available throughout the country districts. This opinion is expressed by a number of women. We quote the following:

North Dakota. — "The greatest need in our community, which is situated in prairie country, subjected to terrible blizzards, and with roads almost impassable or no roads at all, is rural nurses. Women on homesteads often die in childbirth, and the life of the little stranger is often lost also, because of no doctor and no nurse. If the department could find a way to have a rural nurse system established it would be the best assistance for the women in this locality ever known, where we sometimes have to go 30 or 40 miles to a doctor, and by saving the lives of the women and children who could estimate the hundreds of thousands of lives saved for the nation?."

In this connection, the International Congress of Farm Women, held at Oklahoma in 1913, passed a resolution asking "that all possible assistance and encouragement be given to rural nursing as inaugurated by the American Red Cross Association."

In the matter of sanitation, the Report points out that the United States Public Health service stands ready to supply expert advice on all matters pertaining to rural sanitation and to furnish a number of publications dealing with the nature, treatment, and prevention of the more serious diseases. The Department of Agriculture urges organisations of women to take up these questions and to become intelligent guides in their communities on matters of public health.

§ 3. The need for educational facilities.

Letters from all over the country dwell on the importance of education in the common schools in agriculture and home economics. Under the present system, many writers say, the school educates the young not for their life-work but away from it. In particular the establishment of agricultural high schools in rural districts is very generally urged. At present the tendency is for those who wish further development to seek it in the cities. Rural high schools, accessible to all country boys and girls, and preparing them for a useful country life, appeal to many as the remedy for this condition. In these schools it is strongly urged that domestic science for girls play an important part. Needlework, cooking, canning, book-keeping, every branch of home management should be taught as thoroughly and as practically as agriculture, and the students of each should be fitted to be self-supporting in much the same way.

A characteristic form of agricultural education which is being developed in the United States is that of agricultural clubs for children. The Department of Agriculture advises women to organise the boys and girls in their rural communities into such clubs, the purpose of which is to teach advanced methods of farming, animal husbandry, and home making in a practical way which yields a monetary profit to the children taking a part in the work. These clubs, in addition, supply certain social features which are very desirable for the young people of country districts, and they aid the children to develop the resources of the farms, to improve the quality of country life, and to become economically independent.

The girls are interested in the canning, gardening, apple, poultry and pig raising clubs ; the boys in the clubs for raising corn, potatoes, pigs, apples, peanuts, etc.

In the boys and girls club work, up to and including 1914, there was an enrollment of 250,000 young people, the work among girls being in charge of women county agents and that among boys being directed by the men county agents.

The 4,202 girls who sent in reports put up 1,032,115 cans of tomatoes and 522,147 cans of other products worth $180,420.05. On two tenth-acre plots two girls produced and sold vegetables to the value of $243.86, at a profit of $214.12 This work trains girls to become efficient home-makers, to develop the resources of the farm, to improve the quality of country life, and to become economically independent.

The report also calls attention to the itinerant schools of agriculture and home economics which provide for local classes of ten or more farmers or farm women for the study of some topic of special interest to the community. A special form of such schools has been devised by the Department and is now being tried experimentally in co-operation with the State agricultural colleges.

Among the suggestions on educational lines made by the women we note the proposal that the Department should aid in developing rural circulating libraries; should advise on courses of reading; should make out a course of study dealing with subjects of interest to women in the country; should provide courses of lectures in rural districts; while a number of writers urge the Department to publish a weekly or monthly periodical dealing exclusively with matters of interest to women on the farm.

§ 4. The economic needs of farmwomen.

Undoubtedly the section of the report which deals with the economic needs of women is the one which gets at the root of most of the troubles complained of, for the farm woman's position as a social, educational and labour unit must necessarily depend on the economic status of the farmer and of the agricultural industry as a whole. Many of the women correspondents show themselves to be fully alive to this fact.

Writers representing 46 States took the position that women's work on the farm is not adequately recognised as an important factor in farm production and farm profit. The home and farm it is claimed are parts of the same business, but the man does not feel that his wife is a co-worker is entitled to some share of the cash secured by their joint efforts. One woman writes in favor of legislation which "would require the husband to divide the whole income with his wife". Another writes: "Make it illegal for a man to make his wife work like a slave to cook for from 2 to 10 regular workmen"; while a Kansas woman voices as follows the grievance of the farmer's wife at official failure to recognise the importance of her share of the work;

"In taking the 1910 census the Census Bureau failed to find a name that would include cook, waitress, dishwasher, dairy maid, seamstress, laundress and baby-tender, and so they assigned 'no occupation' to the farmer's wife".

Several women claim that if the farmer's wife were to have her due share of the joint earnings it would solve her domestic problems as it "would enable her to install up-to-date labor-saving devices of her own liking." Again the demand for better vocational training is linked up by correspondents with the economic question, as they look to education as a means of developing gainful handicrafts and home industries which would give the woman some independent command of money.

(1) *The Problem of Credit.*

But while many consider the economic question exclusively from the woman's standpoint, others take a broader view of the problem. Many wives write that their husbands are entirely considerate and wish earnestly to lessen the drudgery of their lot, but that they simply cannot make enough money to do more than provide the necessaries. This condition they attribute to high interest rates and to the low price the farmer gets for his produce.

Judging from these letters a large number of farmers at the end of the year have to borrow money at high rates of interest and on short term mortgages to provide food for their families and to purchase farm requisites. Many are living a year ahead of their incomes, and the returns from their crops barely suffice to wipe out the indebtedness and meet the interest charges incurred to grow the same.

Not only must the farmers pay from 10 to 12 per cent for money, but in addition they are required to pay a bonus which, some state, brings the rate of interest up to 25 per cent. Therefore the women plead for the establishment of some financial system which will relieve the farmer from this burden and from the vicious credit purchase methods now prevailing. Many urge the Government to lend money directly to the farmer on farm mortgages at 3, 4 or 5 per cent, and on long-term paper, making the loans repayable on the amortisation plan.

The two following quotations are typical of the many letters received on this subject :

North Dakota. — " I would suggest that government should make some arrangement to assist the farmers with cheaper money, say 5 to 6 per cent, instead of what the farmer has to pay now, 8 per cent being the smallest on personal property. When poor people need money very badly the banks have been holding them up for 40 per cent to 25 per cent bonus every six months, and 12 per cent on top of this. In this way expenses get too heavy and really the biggest burden is thrown on the women."

Kansas. — " Bettering the farm woman's condition depends very largely on bettering the farmers' financial condition. In adverse seasons the farmers must pay bankers exorbitant interest, and even then may have to sacrifice or lose his stock or farm. If we farmers could get government money on our occupied improved farms — not to exceed 160 acres — at the same rate the banker gets his money it would enable us to tide over adverse years without paying him 6 to 8 per cent more than he pays, or sacrifice our stock or farm to him... These loans could be made under the supervision of the Department of Agriculture, and in case of default the land would automatically revert back to the Government."

The Report points out, however, that many of these correspondents seem to think that a low rate of interest would, in itself, be a solution of their difficulties. They believe that if only money could be borrowed at 4 or 5 per cent on long time it would be a simple matter to go to the Bank,

obtain cash, and put it to what might be called non-productive improvements. This shows that the American farm woman is not yet educated up to the principle which the Department, through its Bulletins, is trying to impress on the farmer, *i. e.*, that " borrowing is safe and desirable only when the money borrowed is to be used in such a way as to yield a return that will meet principal and interest and give the borrower an actual profit."

(2) *Defective Marketing.*

While the above criticism undoubtedly holds good of several of the replies published in the report, many of the correspondents show that they have a sound grasp of the situation. They complain that lack of proper credit facilities forces the farmer to market his produce in an uneconomic manner. There is a very general feeling on the part of the farm-woman that the producer is not getting his fair share of the prices which the consumer pays. Women particularly complain that they get only 13 cents a dozen for eggs in certain sections, when eggs at the nearest store retail at nearly twice that amount ; and similar complaints hold good for the other produce of the farm. A woman in Idaho writes :

" Last year we sold our potatoes for 27 cents a hundred pounds and sack costs 8 cents. Some farmers put a slip of paper in the sack with their address for the consumer to let them know what they pay for the same, and the answer was $ 1, $ 1.50, and $ 2 a hundred pounds. "

The following is from a New Mexico correspondent :

" In Laredo, Tex., onions were sold by the growers at 2 cents per pound ; the next morning the same onions sold at Austin at 15 cents per pound. Again tomatoes were sold one day at two- thirds of a cent each in Palestine, Tex., and the next morning were sold at Austin at 5 cents each. In each case the producer received 13 per cent. of the selling price, while 87 per cent. was divided among the railroads and middlemen. Potatoes are frequently rotting in the fields and on track while many people would be glad to pay the producer more than he has been receiving for them. At the present time I am paying $ 3 per 100 pounds of potatoes, and my father in another State is selling them at 40 cents per bushel and many times less... The Government should establish an effective agency for the study of the problems of marketing and for rational methods of meeting this greatest of all problems."

This call on the Government to assist the farmers devise a better, more economical, and more profitable system of marketing is repeated over and over again by correspondents from all sections of the Union. Help the farmer to help himself by getting a fair price for his produce, or rather by getting his fair share of the price which the consumer is already paying, and all the rest will follow, or as a New York farm housewife writes :

" Bend your energies toward giving us farmers more than 35 cents out of the consumer's dollar, and we can, when we get our just share, do

for ourselves the things needed better than the Department of Agriculture can do for us. We have too much paternalism in Government now."

Conclusion.

After reviewing this wide miscellany of suggestions and requests made by the women who have replied to the Department's inquiry, we may conclude that three main needs emerge from the report :

(1) a suitable system of rural credits ;

(2) effective organisation for the economic marketing of farm products;

(3) increased facilities for vocational training with a special view to relieving the drudgery of household work by the application of standardised methods and labour-saving devices.

The first of these problems has been the subject of anxious study by the government and by Congress for the past two years, and it is expected that legislation on this head will be enacted at the forthcoming session of Congress.

The second problem, that of marketing, has been studied by the Department through its recently organised "Office of Markets". Valuable information has been collected and disseminated through bulletins, and an active movement is now on foot in the States in favor of a national marketing organisation to co-ordinate and centralise all efforts and information on this important subject. A proposal for the appointment by the President of the United States of a National Marketing Commission is now pending in Congress.

With regard to the third need, that for vocational training in household work, the Department can point to a vast mass of information which it is constantly disseminating, and the provisions of the recently enacted Smith-Lever bill may be expected in the course of the next few years to supply still existing wants in this direction.

It would therefore seem that with the rational rural credit system, with the improved marketing methods, and with the highly developed vocational training which the near future seems to hold in store for the American farmer, his wife and business-partner may well look forward confidently to progressive development and prosperity.

FRANCE.

THE PROTECTION OF AGRICULTURE AGAINST WILD ANIMALS AND VERMIN AND EXCESSIVE GAME.

OFFICIAL SOURCE:

CIRCULAIRE DU MINISTRE DE L'AGRICULTURE AUX PRÉFETS, EN DATE DU 14 SEPTEMBRE 1915. (*The Minister of Agriculture's Circular to the Prefects, of September 14th.*, 1915).

As there was last year no open season for game and the Police Regulations in view of the state of siege allowed only a limited use of guns for the destruction of wild animals and vermin their number has considerably increased, in spite of the steps taken to destroy them.

On account of the continuance of the war, which prevents the game seasons being opened, the situation is becoming aggravated. The multiplication of wild animals and vermin and certain kinds of game has become, in many places, a danger for agriculture and the Government has considered the necessity of measures to remedy the evil.

§ 1. PROVISIONS AGAINST WILD ANIMALS AND VERMIN.

We must first of all review the principal legal provisions in connection with the destruction of noxious animals.

The right of destruction of these animals is in many respects to be distinguished from the right conferred by a game licence. The latter is an attribute to a holding; the right of destruction is a right of personal defence, or of defence of agricultural produce. There are consequently characteristic differences; first of all these rights may be exercised by different persons; then the animals that must be destroyed are not necessarily all of them such as may be defined as game; finally, many means of destruction differ from those authorized for the purposes of sport.

In consequence the exercise of the right of destruction is subject to police regulations differing in many respects from the provisions of the game laws and regulations.

The provisions of the law in regard to the exercise of the right of destruction may be classified in two groups: some measures are left to the personal initiative of those interested acting each on his own land without the intervention of the administrative authorities ; others, on the contrary, necessitate such intervention on the ground of public utility and may, consequently, within certain limits, extend to all unenclosed land.

The measures individuals may take are of two kinds :

1. — Right to drive off wild animals. — By an extension of the right of legitimate defence, the landowner or tenant farmer has the right to drive off or destroy at any time, even with firearms and at night, wild animals that are demaging the farm (Sec. 9. of the Law of March 3rd., 1844). This right, which in ordinary times is not regulated in any way, is mentioned in all the prefects' decrees regulating the application of the game laws.

2. — Right of landowners, occupiers or tenants to destroy animals classed as mischievous or injurious in the Decrees issued by the Prefects, after consultation with the general councils in accordance with Section 9 of the Law of 1844 authorizing the prefects to regulate this right. Authorizations to individuals granted by prefects in virtue of these Decrees may nevertheless be used to sanction collective destruction by means of battues.

The measures the administration may take may be classed under three heads :

(*a*) Administrative *battues*, ordered by the prefects for the destruction, in the public interest, of wild boars, wolves, foxes and badgers.

These battues, which may be ordered for any time and on any property, are generally directed by the lieutenant of the wolf hunt, under the supervision of the forestry agents. In case he is prevented, the prefect may, in the Decree ordering the battue, arrange for his temporary substitution by the mayor or the gendarmerie of the district threatened by the presence of the dangerous animals, stating his special reasons for so doing (Circular of the Minister of the Interior of December 7th., 1875).

(*b*) Special permits granted by the prefects to destroy wild boars, wolves, foxes and badgers, under supervision of the forestry officers, to persons who have gangs or other means for effecting such destruction.

(*c*) Municipal battues organized by the mayors, who can, in virtue of Section 90, paragraph 9 of the Municipal law of April 5th., 1884.

1st. Take, together with the landowners or holders of game licences, all the necessary measures for the destruction of vermin classed as such in the permanent regulations issued by the prefect.

2nd. In time of snow arrange for the destruction of wolves and wild boars in their district, in default of the holders of game licences, after these have been duly invited, and to call on the inhabitants to proceed with the proper arms and dogs in chase of these animals.

The application of these various provisions gives rise in practice to the following observations of general character affecting naturally each of the classes of measures mentioned above.

Personal Measures. — Being forbidden, owing to the state of siege, to go out armed, landowners, occupiers or tenant farmers cannot use their

guns, either for driving off or destroying wild animals, as permitted by the law, or for destroying vermin, even when the Prefects' decrees regulating such destruction allow the use of fire arms. They have the right to use any other means than a gun against wild animals and the means authorized by the Prefects' decrees, except again fire arms, against wild animals and vermin.

It is for the prefects of the departments for which the regulations now in force do not make sufficiently efficacious provision, in view of the damage done by certain kinds of vermin, to amend their decrees, so as to permit of the adoption of more energetic measures, for example, against rabbits, rabbit nets and ferrets, traps and, if necessary, dogs. In no case are snares authorized.

If the importance of the damage justifies the use of guns either to drive off wild animals, or to destroy certain kinds of vermin, the prefects of the departments situated outside the fighting lines may authorize their use in virtue of powers conferred to this effect by the Minister of war on the generals in command in the different regions and now on the prefects. Further instructions will be given for the use of guns within the fighting lines.

In 1914, the Minister of War laid it down that as far as possible the use of guns should only be allowed on certain days, so as to facilitate supervision by the gendarmes and forestry officers. To render this supervision more effectual and prevent poaching, the Minister recommends that it be specified in the licences granted to individuals that the destructions cannot be carried on except collectively in battues with beaters or dogs, the holder of the permit being allowed the company of a number of men armed with guns varying according to the area of the land to be protected against the animals. The names of these men may appear on the permit or may be left to the choice of the holder of the permit. In the latter case, it may be stipulated that the names of the men taking part in each battue must be sent beforehand to the mayor or the gendarmes in each case.

These authorizations are given, as a rule, to landowners, occupiers or tenant farmers to enable them to exercise their legal right of destroying vermin. However possessors of hunting and shooting rights have always been considered as capable of benefiting by these authorizations and the decrees regulating such rights specially contemplate them. Besides, it is advisable to allow them to destroy animals injurious to agriculture, so as to alter their legal position in respect to liability for damage done as little as possible. The prefects are free to fix the conditions under which these authorisations shall be granted. Thus they can make the possession of a game licence compulsory, as provided in their decrees on the subject, even for close seasons. The Minister considers it will be in the intersts of the State and communes to insist on the possession of a licence in the case of the holders of hunting and shooting rights in the department where such a step would not interfere with the destructions recognised as necessary. On the contrary, on landowners, occupiers or tenant farmers

exercising a legal right, no measure of a fiscal character, such as the obligation of possessing a licence, may be imposed.

No individual authorization can be granted except to landowners, occupiers or tenant farmers or their representatives and the holders of licences and their officers.

To facilitate inspection and supervision, the days for destruction (one, two or three a week), are fixed by the decree giving authorization. They must be the same for all the communes of each canton or each arrondissement or even each department, if there is no special reason for more frequent destructions in some places than in others. Exceptions may, however, be made, when recognised necessary, for the destruction of wild boars.

Administrative Measures. — The decrees in regard to administrative battues must mention the territory of the communes where they are to be organized, the number to be held, the kind of animals to be destroyed and the means of destruction authorized (battues with beaters, dogs, etc.). The indication of the names of the persons appointed to carry out the decree is not indispensable ; it is enough to indicate their office (lieutenant of the wolf hunt or his substitute : mayor, sergeant of police). It is left to these agents to fix the number of huntsmen or beaters and the days and hours ; it has in fact been found that battues ordered for days fixed by prefects have often been unsuccessful, as the animals to be destroyed, particularly the wild boars, which are migratory, have left the district before the day appointed. The Minister suggests that the Prefect's Decree shall confine itself to fixing the term (for example, a month) during which the battues ordered must be held.

The same remarks apply in the case of municipal battues, in regard to which special instructions were issued to the prefects in circular N° 526 of the Minister of the Interior, dated December 4th., 1884.

In view of the state of siege, the mayor must first obtain the prefect's authority before sanctioning the use of firearms.

Of course, in the case of battues ordered by the administrative authorities, the possession of game licences cannot be required of the huntsmen, who must simply be chosen by the organizers of the battue among persons of respectability.

It is recommended that the special permits contemplated for destruction of wild boars, wolves, foxes amd badgers be only granted in places where the holders of game licences have neglected to undertake their destruction, in spite of the complaints of the farmers and where the wooded areas are not large enough to justify the organisation of a battue by the administrative authorities.

Transport, hawking and sale. — The animals destroyed by administrative order, or in virtue either of the right of defence against wild animals, or of individual authorizations to landowners or holders of licences, are the property of those who have killed them, in accordance with the general principle that game and wild animals are *res nullius* and belong to the first finder.

However the hawking and sale of these animals is forbidden, unless a provision to the contrary effect be contained in the regulating decrees, as generally in the case of rabbits, wild boars, stags and hinds. In fact, except in a few departments of the South East where provision has not yet been made, the transport and sale of wild boars and rabbits belonging to rabbit warrens, when killed is always free over the whole territory. Provision has also been made in many decrees of the prefects, in departments where stags and hinds are classed as noxious animals, that these animals when killed in accordance with the regulations may be transported and sold, on presentation of a certificate of their origin, delivered by the mayor (or the forestry service when the animal has been destroyed in a State forest).

Transport facilities make it possible to send the animals killed to hospitals, ambulances or charitable institutions and, in some departments where such facilities do not exist, the prefects must grant permission for the necessary transport. Despatch to hospitals cannot always be insisted on, for, besides the fact that the destroyers have a right to the animals killed by them, it is advisable to allow them to make their profit out of them. If, in fact, it is considered indispensable to encourage the destruction of certain animals, it is wise not to hinder this destruction indirectly. It is besides advisable, in the case of the lessees of hunting and shooting rights, to disturb them as little as possible in the exercise of the rights they possess by their contract, so as not to alter their legal position in respect to the lessors.

§ 2. Damage caused by game properly so called.

In addition to wild animals and vermin it has been reported that pheasants and hares have in certain places caused considerable damage and the Government has considered it necessary to take steps to hinder their multiplication.

1st. *Pheasants.* — In contrast with other kinds of game, in France the pheasant is essentially preserved game.

Both in view of this special character and the facilitations provided in Section 9 of the Law of May 2nd., 1844, to favour restocking with birds, the prefects have been able to authorize retaking pheasants and putting them in coops either for breeding purposes or, where they are plentiful, with the object of releasing them again in districts where it is desirable to introduce them. On the other hand, on account of the season remaining closed, far too many cock birds have survived for breeding under favourable conditions. It has therefore been decided to grant authorizations for catching the pheasants and putting them in coops between September 15th. and December 31st., and to encourage in every possible way the transport of live pheasants into regions where the breeding of these birds may be undertaken by societies or individuals. But as it is certain that

by reason of the superabundance of pheasants the quantity of birds to be caught, especially cock pheasants, will exceed the needs of the breeders, the transport of pheasants to preserved meat factories has been authorized under the conditions already approved last year which we give below.

Hawking and sale of pheasants is forbidden, so as not to encourage poaching ; it is only permitted to transport them to the railway station nearest the breeding establishment and thence in trucks or sealed baskets, in consignments of not less than 100 kilograms each, to tinned meat factories.

On the other hand pheasants may only be caught at the distance of at least 150 metres from the nearest game preserves and permits to capture them can only be given to persons of perfect respectability after it has been found on enquiry that they devote themselves to the raising of pheasants.

In case the persons applying for permission desire to offer the pheasants to hospitals or charitable institutions their applications may be granted, but each consignment must be accompanied by a special permit declaring :

(1) the origin of the pheasants (landed estate on which and locality in which they were caught) ;

(2) the number of pheasants of which transport is authorized ;

(3) the institution to which they are forwarded.

These permits must be returned to the prefect immediately the pheasants have been received, with the visa of the manager of the institution.

Authorizations for the transfer of live pheasants for breeding purposes are given, as in the past, by the prefect of the department concerned when they are transported from one place to another within the limits of the department or directly by the Minister of Agriculture (General Division of Waters and Forests) when they are to be transported beyond the department in which they have been caught.

2nd. *Hares.* — The prohibition of hunting and shooting during the season 1914-1915, has permitted hares to multiply and in certain communes serious damage is reported as having been caused by these animals. In places where the seriousness of the damage has been verified on enquiry, it has been decided to authorize the capture of hares by means of snares, in order to send them to districts where preserves may be restocked with hares. These authorizations are granted under the same conditions as in the case of pheasants.

GREAT BRITAIN AND IRELAND.

PERIODIC MIGRATIONS OF IRISH AGRICULTURAL LABOURERS.

By JOHN HOOPER, B. A.,

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Ireland, one of the most fertile lands in Europe, a purely agricultural country with but few important industries, having as its political partner the densely populated industrial island of Great Britain with its large markets for agricultural produce, might naturally be expected, for economic and political reasons, to possess a highly intensive system of agriculture calling upon its poorer and later districts and on Great Britain for migrants to gather an abundant harvest. Ireland, however, all but lost the art of tillage, the migrations of agricultural labourers from one district in Ireland to another, at one time considerable, have now dwindled to insignificance and instead of drawing on the British labour market at harvest time, Ireland loses at this her busiest season the services of many thousand small farmers, their sons and daughters, who are obliged to eke out their livelihood with savings made at harvest work in Great Britain, which keeps them more than half the year absent from their homes. One might expect to find these homes on the neighbouring eastern coast but they are only to be found in the extreme western and north western counties, three hundred miles distant from Great Britain. These migrations present one of Ireland's many anomalies, which can be explained only by reference to her history, and perhaps it may be of interest before describing the present migrations to trace even in some detail the causes which have occasioned them. They have been necessitated by poverty, the result partly of natural, but largely of historical causes.

§ 1. PRESENT CAUSES OF THE MIGRATIONS.

Most of the migrants come from Co. Mayo on the western and Co. Donegal on the north-western coast. Barren mountain, lake and bog, cover more than half of the area of these two counties; the remainder is cultivable land of poor quality and even this is not made the most of

The best of it is divided into large grazing ranches employing but little labour; the rest is highly congested. More than half of the occupiers still hold less than one fifth of the cultivable land and this the worst land is often found subdivided into a patchwork of small holdings consisting of numerous detached little plots sometimes a dozen to the acre. The agricultural methods are still primitive and as the migrants after sowing their little holdings have to hurry to Great Britain, their crops can only be inefficiently cared for by the weaker members of the family who remain at home. The mineral resources of the country are insignificant and fishing is rendered dangerous and difficult by the Atlantic gales and the lack of landing facilities. The subsidiary industries — fish curing, kelp burning, weaving, knitting, crochet and lace making, etc. — have done little as yet to alleviate the poverty. Nature places many obstacles to the marketing of produce. Transit facilities are poor and railway rates high and accordingly there is little inducement to trade with distant markets. Local markets are wretched; the districts produce nothing to exchange against agricultural produce and in these two counties with a total population of 360,000 persons the largest town (Ballina) has only 4,700 inhabitants.

§ 2. Historical causes of the migrations.

Annual migrations of Irish harvestmen to Great Britain have taken place for at least two centuries and were important enough to attract the attention of English and Irish writers early in the eighteenth century. The historical forces compelling and attracting the migrations had probably reached their maximum about 1847 and it will be convenient to consider them up to and after this year.

(a) *Migrations increased up to* 1847.

During the Conquest of Ireland, which was not complete until the middle of the 17th century, large numbers of the Irish retreated westward before the conquerors, increasing the population of the west at the expense of the east. Two measures in particular affected the Provinces of Ulster and Connaught from which the migrants have always come. The Plantation of Ulster under James I. drove many Irish to the mountains of Donegal and the Cromwellian Settlement banished one-eighth of the Irish families to the Province of Connaught. The resulting overcrowding was afterwards intensified by a high marriage rate amongst a naturally fertile and long-lived people. Early marriages were encouraged by a system of land tenure which placed no obstacle to the subdivision of holdings and by a franchise which made it the political interest of the landlords to have a numerous tenantry. Accordingly in the Report of the Irish Census

Commissioners we find that in 1841 there were 476 persons in Mayo and 473 in Donegal respectively to the square mile of cultivable land as compared with 335 for the whole of Ireland. In 1911 the figures had declined to 193 in Mayo, 203 in Donegal, and 191 in Ireland as a whole.

The overcrowded population was unable to take full advantage of even the poor resources of their country. The banishment of the Irish from the towns and the restrictions placed on Irish industries and commerce in the 17th. and 18th. centuries stifled the spirit of industrial and commercial enterprise. The only resource left was agriculture, but the lands did not belong to the occupiers, who rented them under a wretched tenure. Owing to the land hunger rents were extortionately high and subdivision was carried to extremes; holdings became uneconomic and accordingly, with no local industries or trade to fall back on, the people were forced to resort either to emigration or to periodic migrations.

The large areas cropped up to the middle of the 19th. century in Great Britain and in the south eastern quarter of Ireland required considerable extra labour at harvest time and attracted the labourers from the late harvest lands of the mountainous north western quarter of Ireland. This extra labour in Great Britain was at one time supplied largely by agricultural labourers from the Highlands of Scotland and from Wales and by local town labourers, but the Irish migrants supplanted the British migrants and with the improved travelling facilities of the early half of the 19th. century crossed to Great Britain in increasing numbers up to the middle of the century when perhaps about twice as many went to Great Britain as went to the south eastern quarter of Ireland.

(b) *Migrations have decreased since* 1847.

The potato was practically the only food of the Irish migratory class and the potato famine in Ireland in 1847 swept so many families away by starvation that this calamity is comparable in its effects with the Black Death in England. Other causes quickly followed further to reduce the population of Ireland, which decreased from its maximum, 8,200,000, in 1841 to 4,400,000 in 1911. The fall in the price of corn after the Repeal of the Corn Laws and the rise in the price of meat induced landowners to consolidate their farms and turn them into grazing ranches. Evictions were wholesale and the dispossessed tenants who had the means fled in hundreds of thousands annually to America. An idea of the effect of the famine and emigration may be obtained from the Census figures for Co. Mayo which show that the population which had increased by 33 % in the twenty years preceding 1841 decreased by 34 % in the following twenty years. The numbers of the migratory class, however, were not reduced in the same proportion as the status of the population was lowered. Many of the evicted tenants fled to the mud cabins of the migrants who were swept away by the famine and took their places at

the British harvests. The migrations to the south east of Ireland fell away rapidly with the decrease in tillage, but there was still plenty of harvest work to be had in Great Britain (though the cropped area there also decreased) and the numbers crossing did not greatly decline until the beginning of this century.

The numbers of migrants to Great Britain in 1841 were estimated by Census Commissioners at 40,000; probably another 20,000 went to Leinster and Munster making 60,000 in all. In 1900 the number that migrated was estimated at 32,000, practically all of whom went to Great Britain. This decrease was due principally to the decrease in the numbers of the migratory class in Ireland and to the decrease in the cropped areas of Ireland and Great Britain. The number decreased from about 32,000 in 1900 to some 13,000 in 1914. The decline has been caused partly by the more general use of improved farm machinery, especially the self-binder, in Great Britain, and by the continued emigration to America from Mayo and Donegal, but it is more largely due to improved conditions in Ireland itself. These improved conditions have been brought about to some extent by increased prices for agricultural produce but mainly by Government action. It is only now that the ameliorative legislative measures, especially the Land Acts, initiated by Gladstone and improved upon and supplemented by succeeding Tory and Liberal Ministers, are having their full effects. In particular, the improved conditions have more recently been brought about by the Land Purchase Act of 1903 and by the combined work of the Congested Districts Board founded in 1890 and the Department of Agriculture and Technical Instruction established in 1900. The land is gradually being redistributed in more or less economic holdings amongst the people who have purchased it on the instalment principle with money lent by the Government. They are being taught to get the most out of the land by up to date methods of agriculture, and the best return from the sea by the best methods of fishing in the most suitable boats; they are taught to build the boats and make and mend the nets themselves; the women are instructed in the curing of fish, in weaving, knitting, crochet and lace making, in order to supplement the earnings of the men, and are also taught the most suitable system of housekeeping so as to make the most of their little incomes. Money is lent by the Government for productive expenditure but this is scrupulously paid back by these poor people; State pensions are given to the aged poor and these are of exceptional importance to the migratory class, who, owing to emigration, include an abnormally high percentage of old persons; labourers' cottages have been built at public expense and rented with acre or half acre plots at a nominal rent; railways have been built with public guarantees; seed potatoes have occasionally to be doled out at times of dearth and relief works undertaken. While all this is being done the greatest care is taken that no Government action shall undermine the spirit of independence, which, on the contrary, is carefully fostered and stimulated. For the uplifting of the people the Government mainly depends

on educational methods and teaches the people to rely on themselves (1). The types of State aid referred to apply with particular intensity to the districts and classes from which the migrants come. These districts and classes also share in the general improvement brought about by other Government measures and by voluntary agencies, such as the agricultural co-operative movement and the Gaelic League.

§ 3. Records and descriptions of migrations.

The first authoritative numerical estimate of the migrations to Great Britain was that of the Census Commissioners of 1841. The famine of 1847 was the occasion for starting an admirable system of collecting annual statistics of areas and produce of crops and numbers of live-stock in Ireland by police enumerators, who, after the distress of 1879-80 amongst small farmers and agricultural labourers — the class from which the migrants are drawn — were instructed to include in their statistical returns for 1880 particulars of the migrations of agricultural labourers and this has been done each year since. Each enumerator in June makes a return, for the area allotted to him, of the names, addresses and occupations of all persons who have migrated or intend to migrate that year. Although this Census is far from complete, supplementary railway and portal returns showing that not more than about 60 % of the migrants are enumerated, still the police returns disclose much interesting information. Seventy four per cent of the migrants enumerated in 1914 came from Connaught, 24 % from Ulster, the remaining 2 % coming from Leinster and Munster; Co. Mayo in Connaught alone furnished 58 %, Co. Donegal in Ulster 22 %. Only 3 % of the migrants were females, nearly all of whom went from Achill Island to Scotland to gather the early and late potatoes. Of the migrants enumerated 18 % were small farmers, 69 % the sons and daughters of small farmers, the remaining 13 % being landless agricultural labourers. Seventy-seven per cent of the farmers who migrated in 1914 had holdings less than 15 acres, 87 % had holdings less than 20 acres; the large holdings belonging to the migrants, some up to 40 acres and even more, are mostly barren or rough grazed mountain land. Ninety-six per cent of the migrants went to Great Britain, only 4 % finding employment in Ireland on farms at a distance from their homes. Of the

(1) For fuller accounts of the economic conditions of Irish agriculture and the action taken by the Government to improve them, see the following articles in the *Bulletin of Economic and Social Intelligence*:

"Land Purchase in Ireland", October 1911.

"The Fair Rent Provisions of the Irish Land Acts", by A. P. Magill, January 1914.

"The Sources of Rural Credit in Ireland", February 1915.

"The Congested Districts of Ireland and the Work of the Congested Districts Board", by F. S. Sheridan, February 1915.

migrants who went to Great Britain 72 % went to England, 28 % to Scotland. Of those who went to England 99 % were from Connaught (78 % coming from Mayo). Of those going to Scotland 80 % were from Donegal and 16 % from Mayo.

Although the number of migrants enumerated in 1914 was only about 60 % of the number who actually migrated still even the number enumerated show that the migrations cause an appreciable drain on the labour supply of many districts. In 1914 in the Poor Law Union of Swinford, Co. Mayo, a district of 237 square miles with a total population of 43,000, no less than 24 % of the total male population 20 to 60 years of age were enumerated as migrants; in Glenties, Co. Donegal, 14% were enumerated; in Dunfanaghy, Co. Donegal, 12 %; in Westport, Co. Mayo, 10 %; in Claremorris, Co. Mayo, 9 %, etc.

§ 4. The migrants in great britain.

In Great Britain the migrants are classed into three groups: (1) The "Achill workers," (2) The "Donegal men," (3) The "Connaught men," The first two groups work in Scotland, the "Connaught men" in England. The "Achill workers" are the most highly organised and most interesting but the least numerous of the three groups. This is the only group that contains many women and girls and the males, unlike the "Donegal men" and "Connaught men," are usually old men or boys. Girls and boys of twelve years and even as young as nine years are found working in this group. The "Achill workers" are employed only at potato lifting; the "Donegal men" and the "Connaught men" do all classes of harvest work including potato lifting. The "Connaught men" make up the largest of the three groups and appear to earn per head per week more than the "Donegal men", who earn considerably more than the "Achill workers." As the latter in addition do not remain so long away from their homes as the "Donegal men" or the "Donegal men" quite as long as the "Connaughe men" the amount of savings per head of the "Connaught men" for tht season is perhaps double that for the Achill group.

The following paragraphs indicate the conditions under which the migrants work in Great Britain; the average wages and savings mentioned refer to the year 1914, but it is understood that the corresponding figures for 1915 are considerably higher.

(a) *The "Achill Workers."*

The "Achill workers" come principally from the Island of Achill and the neighbouring mainland of Connaught and go in squads to Scotland, each squad being under the charge of an Irish "gaffer" who has made arrangements early in the year for work for his squad for the whole season

from June to November with potato merchants in Scotland. These merchants buy potatoes in the field from farmers in different localities; the potatoes are lifted and gathered by the "Achill workers," who after doing two or three weeks' work on one farm pass on, as by previous arrangement, to the next farm and accordingly do not suffer from unemployment during their stay in Scotland. The members of each squad remain together for the whole season and it is their excellent organisation which makes it possible for the pure Irish girls and women to work in this group as migrants alongside their fathers, brothers and neighbours, and it is the lack of organisation in the other two groups of migrants that accounts for the very few females they include. The "Achill workers" go about the middle of June to Glasgow by a special steamer which calls for them once a year at Achill or by the regular steamship service from Westport. The distance by sea is about 300 miles and only the roughest accommodation is provided for the migrants, who are charged only 7*s.* for the journey. On arriving at Glasgow they are set to work lifting the early potatoes in Ayrshire. These are dug by a man with a fork and picked by a woman, the two being called a "graip." A squad is usually made up of a dozen "graips," two "timmers," a "barrelman" and a "riddler." The work is very hard on the girls and women, who have to keep pace with the men dragging themselves and their heavy baskets of potatoes often through sodden clay. When a basket is filled the woman passes it to one of the "timmers," who takes it to the collecting point where the "barrelman" and "riddler" collect and sort the potatoes in barrels for the market. Six graips will lift an acre of potatoes in the day and a graip usually earn about 5*s.* a day between them. A "timmer" usually gets 3*s.* a day, the "barrelman" and the "riddler" about 25*s.* a week, the "gaffer" 26*s.* to 30*s.* The graips and timmers are paid only for the time actually worked and one day a week is said to be the average time lost on account of wet weather. The others are paid the same, wet or fine. The working day is ten hours, beginning at 6 or 6.30 with a breathing spell of ten minutes at about 9 o'clock, a half hour for dinner at mid-day and another ten minutes' rest in the afternoon. The workers, however, are always only too glad to work earlier or later if required and sometimes commence as early as 3 a. m. The early potato season is over in Ayrshire in mid-August when the squads move into many of the Scotch counties, but principally to the eastern counties, to gather the main potato crop, which is raised by potato digging machines; the women and girls pick the potatoes, which are pitted by the men. This work is finished early in November when the "Achill workers" return home.

On arrival in Glasgow in June each of the squad is supplied by the merchant with pair of double blankets as bed clothes, which are carried from farm to farm and returned when the work is finished. The merchants also contract with the farmers for sleeping accommodation for the squads, but as the farmers have no financial interest in their welfare and as the one squad remains on a farm for only a few weeks the accommodation provided is wretched, but is improving. The migrants sleep in "bothies" which

are sometimes cottages but more often only farm buildings—barns, sprouting sheds, etc. They frequently have to eat and sleep in the same compartment and as the one fire which is supplied by the farmer is often out of doors the migrants in wet weather are sometimes unable to get their clothes dried for work on the following day. They usually sleep on straw, which they find more wholesome than the mattresses which are sometimes provided by the farmers. The merchant allows them all the potatoes they can eat, but as a rule they can only find time to boil the potatoes for the evening meal after their day's work is done. The workers stint themselves to save as much as possible and live on potatoes, bread and butter with occasionally eggs, fish, bacon, and tinned meats, but very seldom fresh meat. It costs a single individual 7*s*. or 8*s*. a week to keep himself, but as many of the workers come in families of three or four the average cost is less. For the season from mid-June to the end of October eight pounds is considered a fair saving for one person.

(b) *The "Donegal Men."*

The "Donegal men" come from Ulster, principally from Co. Donegal, and work in Scotland as general harvesters. Unlike the Achill labourers they work individually, each making his own arrangements by writing early in the year to the farmer or farmers who employed him in the previous season. A labourer migrating for the first time generally goes in company with an older hand who looks after him. They usually migrate early in June and start work at turnip singling, and many remain until a few weeks before Christmas. They generally go by train to Derry and thence by steamer to Glasgow and are employed chiefly in the Lothians (Linlithgow, Edinburgh and Haddingtonshire) and Berwickshire. At certain times during the season the farmers are pressed for labourers—at first and second hoeing, hay making, corn harvesting, potato digging, mangel and turnip gathering—and though many of the Donegal men remain on the same farm throughout the whole season, others pass from one district to another, sometimes from an early district to the same operation in a late district, sometimes from an early operation in one district to a different but later piece of work in another, endeavouring to obtain the hardest and best paid work which is to be obtained at the periods of emergency. Between spells of pressure they can earn but small wages and sometimes put in these intervals as navvies.

The usual working day of the "Donegal men" is 10 hours—from 6 to 6 with a two hours' interval—but when working by the piece they often put in 14 hours a day. At turnip singling and hoeing, potato pitting and mangel and turnip pulling they are generally paid by the piece, and 5*s*. a day is considered a fair earning. At harvest time they are paid by the week, getting about 21*s*. to 25*s*. with beer and bread and cheese once a day. Some farmers give tea, coffee, milk or money—about 3*s*. a week —instead of beer. They generally get free lodging on the farms in "both-

ies", much the same class of accommodation as is provided for the Achill workers. They are usually allowed potatoes and have to do their own cooking. It costs one of them about 10*s*. a week to keep himself in tea and bread and butter with fish, bacon, eggs and fresh meat. A thrifty man saves up to £15 during his six months stay. They bring home considerably more than the "Achill workers," who are chiefly women and girls, old men and boys, and the "Donegal men" remain longer in Scotland.

(c) *The "Connaught Men."*

The "Connaught men" come from the Province of Connaught, chiefly from Co. Mayo, and work as general harvesters in England. Like the "Donegal men,, they make their arrangements early in the year individually with the farmers with whom they were employed during the previous season. They begin to migrate as early as February and many remain until a week or two before Christmas. They go by train to Dublin—a distance of nearly 200 miles—and thence by steamer to Holyhead—a sea journey of 70 miles. They are principally employed in the northern half of England—in Northumberland (Donegal men work in the northern part of the County, Mayo men in the south), Durham, Yorkshire, Lincolnshire, North Cambridgeshire, North Huntingdonshire, Warwickshire, Staffordshire, Derbyshire, Lancashire and Cheshire.

Some of the "Connaught men" remain on the same farm during their whole time in England but most of them, owing to the nature of the work, are employed in at least two or three different districts in which the same men, year after year and one generation after another, work on the same farms. Their best paying itinerary appears to be to work at haymaking in East Lancashire and West Yorkshire, then at the corn harvest in South Lancashire and North Cambridgeshire and then at potato lifting in Warwickshire and Staffordshire. For the "hay month" in East Lancashire and West Yorkshire they usually get £5 10*s*. with their food and lodgings. In the Fens of North Lincolnshire and North Cambridgeshire, where it is often impossible to use the reaping and binding machines they are employed in harvesting the corn. They work in groups of three or four and for a long day's work they earn 7*s*. to 10*s*. each. In North Warwickshire and South Staffordshire where the best wages are to be had, they make also from 7*s*. to 10*s*. a day lifting potatoes and make £10 to £12 in the five or six weeks they are employed in these districts. Between these three seasons they earn but low wages and have to chance a certain amount of unemployment.

Many "Connaught men" remain from June and some even from February up to a week or two before Christmas on the same farms in Southern Lancashire, Durham, Lincolnshire, Warwickshire, and Cheshire, but though they suffer no unemployment they are paid comparatively low wages. They get 16*s*. or 17*s*. a week with 10*s*. to 20*s*. extra for the corn harvest. On piece work at potato lifting they make up to 6*s*. a day.

As a rule the "Connaught men" are given barns, lofts or sheds, in which to sleep, with straw and blankets or sacking for bedding. On many estates in Southern Lancashire and Cheshire special cottages of two rooms have been built for them. The men are generally given fires for cooking and where these are not supplied the little cooking they require is done for them by the house servants. Sometimes they pay 1*s.* or 2*s.* each to a woman, usually the foreman's wife, to cook for them. Their food costs about 10*s.* or 11*s.* a week but at times of particularly hard work they spend more. It is difficult to get an idea of their savings. Perhaps on an average they would save £15 or £16 during the season. Some who are lucky enough to get continuous work at periods of pressure, say at haymaking, then without a break at corn harvesting, and again without an interval at potato lifting, can save as much as £30 in the season, but others may have some weeks of enforced unemployment between the haymaking and the corn harvesting and between the latter and the potato lifting. The men who stay on in one place lose no time except in wet weather but cannot save more than about 10*s.* a week, whereas a man at piece work, at corn harvest, or potato lifting can save 20*s.* a week or more while the work lasts.

Their English and Scotch employers bear testimony to the endurance, industry, thrift, sobriety and general good conduct of the Irish labourers and state that as a class they are far superior in every way to the local labourers who can be engaged for the same work. The decline in the number of Irish migratory labourers presents a serious problem to the British farmer; to the Irishman, however, the decline is only one of many indications that his country, plunged for centuries in poverty and unhappiness, is at last emerging into prosperity and contentment.

NOTICES OF SOME RECENT PUBLICATIONS RELATING TO AGRICULTURAL ECONOMY IN GENERAL.

FRANCE.

BAUDOIN (R) : LE RAVITAILLEMENT EN VIANDE DANS L'ARMÉE FRANÇAISE (*Supply of Meat for the French Army*). *La Vie Agricole et Rurale*, april 10th., 1915.

The fresh meat which the Commissariat distributes to the army in the field is obtained, if possible, from the local supply furnished by the territories occupied by the troops. But when it is not possible to live on the country, as in the present case, it is necessary to obtain consignments from the country in the rear. Among the organizations in the rear the army has at its disposal are the stores (*Stations-Magasins*), which Mons. R. Baudoin has studied in the *Vie Agricole et Rurale*, of April 10th., 1915.

The store is a centre of supply established on a railway behind the armies in the field. It is a large establishment, at the same time a factory and a storehouse, the essential rôle of which is to keep available, at a certain distance from the scene of hostilities, provisions of every sort required by the troops — bread, biscuits, fresh or tinned meat, fresh or preserved vegetables, rice, salt, sugar, roasted coffee, wine, etc.

With regard to fresh meat, which alone is studied by M. Baudoin, every store is supplied with livestock as follows:

1. In proximity with the store there is formed a livestock depôt to provide a supply of livestock for two days for the troops served by the store (the requirements are calculated on the basis of a 500 gram ration, and assuming a uniform yield of 50 %);

2. Near one of the railway stations further back a supply equal in amount with that of the depôt (two days' supply of livestock) is maintained at a cattle collecting station (*parc de groupement de bétail*).

In order to prevent crowding, the supply in the depôt and at the collecting station must never be more than enough for two days for the troops served by the store. Also, with the same object, the depôt and the collecting station are divided each into two parts, each containing half the stock of animals, the first half housed or penned in the neighbourhood of the station, so as to be placed on the train at a moment's notice, the second half at some distance from the station, at 3 or 4 kilometers at most. In each division the animals are housed in cow-sheds, stables, cart-sheds, etc., or, in the absence of covered enclosures, they are kept in the fields.

In the department or region in which the store is situated, a certain number of cantons are selected beforehand to furnish the livestock required for the supply of the depôts and collecting stations. These cantons form part of areas selected in advance, which, as a rule, may not extend to a greater distance than 50 or 60 kms. from the depôt or the collecting station. These areas are exploited by the territorial supply service, which is entrusted with the task of supplying the cattle required for the collecting stations and the stores. Preparations were already made for this in time of peace so as to ensure the supply of livestock for the stores from the first day of mobilisation.

The livestock required for the store is, in the first place, supplied from an area reserved for the purpose in the immediate neighbourhood. When the resources of that area are exhausted, or, before this, when circumstances make it necessary, the livestock required are obtained from areas further in the rear, along the line of communication which serves the store; in each of these areas provision is made for a cattle collecting station.

Each area is divided into collecting districts (*circonscriptions de groupement*), each of which has a receiving station, situated as near as possible to the depôt or collecting station it has to supply, so as to prevent unnecessary journeys for the cattle. The livestock is collected in these receiving stations by one or more receiving commissions : the livestock supplied by each commune is taken in droves to the receiving station and thence by road or rail to the depôt or the collecting station. The area which assures the replenishing of each depôt or collecting station also assures the feeding of the livestock; the receiving commissions have also to collect the fodder and send it to its destination.

The livestock delivered by the receiving commissions is received at the second division of the depôt or the collecting station by the administrative officer in charge ; after examination by the veterinary surgeon, they are penned and weighed and then placed in stables, on farms or in enclosures.

The store must be always in a position to satisfy without delay the applications for livestock it receives from the Commissariat. It is the Commissariat who are really concerned with the supply of livestock to the army.

The livestock applied for is not slaughtered at the store : it is forwarded alive by rail to the concentration station (*gare régulatrice*), where it is consigned to the food supply division of the Commissariat office of the station.

The livestock despatched by the store is taken from the first division of its depôt, situated, as we have seen, quite in the proximity of the forwarding station. This precaution prevents all loss of time ; so the loading rapidly follows the order to deliver. Each truck is loaded with eight or ten animals, according to size; twenty minutes suffice for loading a truck. Each train must carry enough cattle food to assure the feeding of the cattle when unloaded. But the livestock do not require food or drink when the journey does not take more than thirty-six hours and is not made in hot wheather; if the transport requires a longer time, the

livestock are unloaded at a station arranged for the purpose of giving them food and drink; in hot weather they are given water every twenty-four hours.

It is desirable, as the war is being prolonged, to economise the supply of cattle in the country and to have recourse to pig-meat, as far as may be. The pigs may be slaughtered in the depôt, so that they may be forwarded to the troops as soon as they have been slightly salted. If the despatch of fresh meat is impossible, the store sends the troops preserved meat, a supply of which formed in time of peace in each store is kept up by means of consignments from the interior of the country.

The trucks of cattle, on arriving at the concentration station, are sent from there to the Commissariat bases, where the animals are unloaded and taken under the care of the food supply division of the Commissariat, which makes up droves to travel by land to the cattle pens of the various army corps. In fact each army corps has a cattle pen which can supply the whole corps with meat for two days. When no distributing routes have been established, a pen is formed at the regulating station. This pen allows of the despatch, on urgent demand, of a day's supply of livestock for one or two army corps; it has also to consign the cattle required by the men of the Commissariat.

To sum up, the cattle pen of an army corps is renewed either from the livestock of the district, or by means of consignments from a store; the store is replenished, in proportion as the livestock are forwarded to the army, out of the supplies of the reserved area immediately in its neighbourhood; and, when these are exhausted, the supply of the store is assured by consignments from a collecting station. Such is, in outline, the method on which the supply of fresh meat to the army is organized; the store is the essential organization for the purpose, as it is for food supplies of every kind; here the greater part of the bread consumed by the troops is baked, the coffee roasted, rice, cheese and large quantities of vegetables (potatoes, beans, split peas, cabbages) are collected and forwarded, as well as tins of sardines and tunny, sugar, tinned soups, chocolate, tea, coffee tabloids, wine and even soap, candles, matches, tobacco and cigarettes.

GREAT BRITAIN AND IRELAND.

BATHURST (CHARLES): LAND SETTLEMENT OF EX-SERVICE MEN. *The Nineteenth Century*, No. 465, November, 1915, pp. 1097-1113.

In his article in *The Nineteenth Century* Capt. Bathurst asserts (it cannot be said that he estimates, since he adduces no reason for choosing one figure rather than another) that at least 8 per cent. of the *personnel* of the New Armies, not previously so engaged, will after the war desire rural occupation

as a means of livelihood, and at least 3 per cent. will prefer such occupation at home rather than overseas if facilities are forthcoming immediately upon termination of their war service and if there is a reasonable prospect of commercial success. In other words, there will be, at the end of the war, some 90,000 potential home settlers, some of whom will be partially disabled but quite capable of making a living out of light rural occupations and Capt. Bathurst proposes that these men with their families should be established on small holdings grouped in colonies of convenient size in suitable situations. The area provided for each ex-Service settler would depend necessarily upon the nature of the soil, climate, and produce in view. Fifty separate holdings might form a convenient number to group into a colony and the total area might vary from 1200 to 200 acres.

The success of such a scheme would depend to a large extent upon the ability of the settlers' women folk to be of real assistance in butter-making, poultry-rearing, bee-keeping, fruit-growing and the other lighter agricultural occupations, and for this reason, and further, because male labour will be very scarse throughout the whole of next year, the training of young women in these occupations should be begun at once. County Councils and the Boards of Agriculture and Education should immediately set themselves to the provision of facilities for teaching and training the wives and daughters, sweethearts and sisters of service men.

The next important desideratum is the teaching of co-operative methods and the provision of the necessary machinery for the collective purchase of implements and general farm supplies and the collective sale of produce. In order to take full advantage of co-operative methods, which (in the opinion of the writer) are essential to the success of any small-holdings scheme, suitable large estates, should be purchased as they come into the market and colonies fully equipped *ab initio* established upon them. A start could be made immediately with such of the partially disabled men as are likely to make successful small-holders.

In each colony a central co-operative dairy should be established, and all costly machinery and equipment for occasional use such as a threshing machine, sheep-dipping tank, potato and fruit-tree sprayers, motor-tractor and even heavy horses should be collectively owned and hired out at easy rates to the members. The colony should also own or hire collectively pedigree bulls, stallions, rams and boars. A certain area in each colony should be reserved for use as a demonstration farm and placed under the control of a competent manager. Men who have had no previous training in agriculture could work for a certain time as labourers upon the demonstration farm in order to gain experience.

The chief difficulty would lie in the adequate financing of the scheme. The land required would, it is proposed, be leased from the owners by Government by some local authority such as the County Council or by a Land Settlement Authority appointed *ad hoc*, and sublet to each individual occupier or, preferably to the colony organised as a body corporate under the Industrial and Provident Societies Acts. The colonists might in many cases be able to provide the necessary working capital themselves, and for the remain-

der Government loans might be made available to approved applicants — especially to warrant and non-commissioned officers in the Army and petty officers in the Navy — according to their capacity, education, previous experience and the qualifications of their women folk.

Capt. Bathurst is no believer in small holdings schemes as they have hitherto been carried out in England.

"Considering the magnitude of the machinery set up," he writes, "and the very large public expenditure involved, the artificial creation of statutory small holdings has been a failure, like most land schemes initiated by politicians whose social aspirations are commendable but whose agricultural knowledge and experience are small.

"During the seven completed years since the Small Holdings Act, 1907, came into operation, and with the aid of every species of political and departmental stimulant, the total number of individual applicants provided with holdings by the County Councils was only 18,486 and of these 33 per cent. have already vacated possession of them".

In the face of such a record, however, he is confident that his scheme for ex-Service men could be made successful, principally because, — "By contrast with the would — be small-holder of the past these ex-Service men will be young, keen, teachable, generally business-like, resourceful, courageous, and, knowing the advantages of joint action and comradeship, inclined to co-operation."

SMITH (J. DRUMMOND): THE HOUSING OF THE SCOTTISH FARM SERVANT. *The Economic Journal*, Vol. XXV, September, 1915. pp. 466-474.

In an article which barely fills nine pages of *The Economic Journal* the writer deals with what is really the heart of the farm labour problem in Scotland — the question of housing farm servants, — and the picture which he draws of present day conditions is sufficiently dreary and would, indeed, be depressing were it not for the fact that the reader is shown that here and there in recent years improvements have taken place and there are signs that the movement for reform is growing.

Unmarried farm hands in Scotland either live in a room apart from the farmhouse on what is called the "bothy" system, or eat in the kitchen of the farmhouse and sleep in a room of sorts either in the house itself or, until quite recently, more often over the stable. In the "bothy" a plain table, a few forms and "cooking utensils of a rather meagre description" are provided by the farmer, but the men usually have to do their own cooking. Even if the men are able to cook they have little time either in the morning or at midday to prepare food, and in the evening they are generally too tired to do so. "The most striking thing about the bothy," the writer says, "is its shivering bareness and want of comfort."

Even under the other system, where the men eat in the farm-kitchen, the sleeping rooms are, as a rule, bare, dreary and fireless. These housing

systems are largely responsible for the habits which the younger men acquire. The single men are said to be constantly moving from farm to farm, to be rough in speech and behaviour, to be loose in morals. Certainly the comfortless conditions under which they live make for roughness and laxity.

Conditions for the married farm hand are often equally bad. Cottages are insufficient in number, are almost invariably too small for comfort or even for health, and are often damp and in bad repair. They have seldom any conveniences in the way of wash-houses, cupboards, sculleries or sinks; the water supply is sometimes two or three hundred yards from the house, and is not always above suspicion. The normal type of cottage consists really of only two rooms, a kitchen and a bedroom or (in the vernacular) *a but and a ben*. The kitchen (the *but*) is usually a fair-sized room as it has to hold a bed or beds and serve as the chief living room. The bedroom, or *ben*, is small, and a sort of closet which exists between the two is hardly to be dignified with the name of "room". The accommodation is quite inadequate, the more so as such cottages are occupied by a healthy vigorous race whose families are usually large.

The difficulty in the way of providing better cottages lies in this, that the cottages are tied to the farm and are reckoned as part of the men's wages. They are leased by the farmer with the farm but they are admittedly the last part of the steading to receive attention either from the farmer or from the landlord. The farm servant occupying a tied cottage is in a peculiarly bad position. If he complains he runs the risk of losing not only his job but his home as well. When he bargains with a prospective employer he may hold out for an increase in his money wages, but he must accept whatever kind of cottage exists upon the farm where he finds employment.

The problem of bad housing in Scotland is not of the same difficulty as in England where bad housing is closely connected with low wages. The Scottish farmer has been shrewd enough to see through the fallacy of the cheapness of badly-paid farm labour, but has not yet realised that the house in which a man lives is related to his efficiency as a worker in just the same way as the wages he receives.

The writer of the article admits that many landlords simply cannot afford to erect new cottages, and suggests that in such cases it would be good policy to grant Government loans at a moderate interest, and with proper safeguards, for the purpose of building. The local authority might also, under certain circumstances, itself undertake the erection of cottages. But in the first place the vicious system of the tied cottage should be ended once and for all. With the tied cottage abolished the labourers would probably wish to live together in groups, and this from many points of view would be a distinct advantage, as it would make it possible to provide those conveniences which are so vitally necessary for making the cottage a real home. If grouping took place some reduction of hours would be necessary, but this would be a gain rather than a loss as the hours of farm servants are at present notoriously long. At any rate, in one way or in another, housing conditions must be improved. The prosperity of the labourer is as essentiel to the true interests of agriculture as the prosperity of the farmer.

TUNIS.

GÉNIAUX (CHARLES): LA TUNISIE PENDANT LA GUERRE (*Tunis during the War*). *Revue de Paris*, October 1st., 1915.

The European war found Tunisian agriculture in the midst of crisis, for the harvest of 1914 was an almost complete failure, and we may say that the work of the Protectorate consisted in preventing a famine among the population. A very recent enquiry undertaken on the spot by Mr. Charles Géniaux, well known for his interesting publications on Tunis, enables us to judge how far the effort of the Government has been successful.

In May, 1914, in order to make up for the failure of the harvest and come to the relief of the farmers, the Protectorate opened a first credit of 2,000,000 frs. for purchase of wheat for needy natives, 100,000 frs. for relief works and works of public utility and 200,000 frs. for loans to colonists. In the beginning of August the Government forbade the export of grain from the Regency and ordered the Director of Agriculture to obtain, if need were, by means of requisition, the food stuffs needed by the population.

A current account of supplies was then started. Purchases of grain for sowing to the value of 3,000,000 frs., corresponding with the net resources of the Mussulman thrift societies, were then made. The 5,000,000 frs. that were first spent seemed insufficient and, in view of the great and pressing need, other purchases were made and entered in the supplies account, from which they will gradually disappear as the credit or debit balance is entered into account of the native thrift societies or in that of the estimates.

Up to the present, according to M. Charles Géniaux, more than 100,000 quintals of barley and 100,000 quintals of maize have been purchased. At the rate of 250 grams per day per person, this will assure 400,000 Tunisians of the means of subsistence. New purchases will be made as soon as necessary, and nearly 7,000,000 frs. will be devoted to the purpose. The grain is distributed by the of Finance Department for the account of the native thrift societies, as loans to be repaid. As the new harvest is good, these loans will be most of them repaid.

On the other hand, eight million francs worth of barley and wheat for sowing have been distributed among the Tunisians recognised as unable to obtain seeds without resorting to the usurers, who ask at least two sacks of wheat for each sack lent, that is 100 %, when they do not ask 250 %. The departure of 32,000 sharpshooters, nearly all farmers, favoured the designs of these speculators. The Finance Department induced the loan and thrift societies, founded in each *caïdat* in 1909, to take action. This was the easier as the excellent harvest of 1911 had permitted of the organization of long term mortgage loans, making it possible for the Tunisians to purchase modern implements and to work their farms.

Loans in money were granted for fifteen years at 8 %, the rate being reduced to 6 % when the holdings were registered. At once sales with right of redemption became rare ; the usurers suffered. A little later, the local credit societies were authorized to form co-operative societies, so as to extend the amount of their business. Village artisans could profit by these provisions, equally with the farmers, and the inhabitants of the Jerid and the Sahel hastened to ask for credit to revive their home weaving industry. Special co-operative societies were formed in regions suited to market gardening, such as Makhtar or suited to the improvement of Barbary sheep, such has Thala. These institutions not only improve the economic condition of the natives but increase the prestige of the Government and promote confidence and solidarity among the natives. The following extract from a letter sent by an important personage of the industrial region of Jerid, to the Director of the Economic Services, affords eloquent testimony of this :

" Thousands of natives of Jelas, Kairwan, the Hammama, the Fsachiches, and Madjeurs (regions that produced no grain in 1914) have come to the Jerid to implore their co-religionists to assist them in selling their dates in advance. The inhabitants of the Jerid had compassion and following the example of the Government, which is multiplying its efforts to relieve the poor, arranged for the sale of the dates on the most favourable terms, to be paid for at the next harvest, June, 1915. They have thus lent on honour to the amount of more than 20,000 sacks of dates. Each of the borrowers returned home, content to have assured his family of the means of subsistence. The inhabitants of the Jerid thus lent about 500,000 francs, when they might have received the greater part of this amount in money, if they had insisted on cash sales. But they were incited to act in this way by the desire to associate themselves in the work of assistance undertaken by the Government. "

Let us add that the European war has favoured the local weaving industry in a singular degree. The Finance Department having assured M. Monge, Director of the Native Industrial and Commercial Experimental Laboratory, of the necessary credit, he addressed himself to the War Department, guaranteed regular delivery, the best quality and the saving France would make in applying directly to the producers. The natives obtained the commission. As a result nearly 500,000 frs. has circulated from hand to hand, from the peasant selling his wool and the spinners to the weavers and tailors. The Finance Department, which has assisted in reviving the native industries by extending to commerce and industry the right to borrow from the thrift societies, sanctions the formation of co-operative societies with special objects, such as the purchase in France of cotton for weaving or of indigo for dyeing. Besides this, the people of the Jerid obtain wool on conditions which will allow of continuous work during the war and even of fair profits.

The directly agricultural work of the Economic Services is quite as useful. The peasants of Tunis, says M. Charles Géniaux, observe that they only obtain fair crops when abundant rains fall on their fields, not

too well ploughed with their antique implements. Whilst their French and Italian neighbours every year reap a more or less abundant crop, the bedouins hardly obtain one satisfactory harvest in three.

Concerned at so serious a state of things, M. Bériel, Director of the Native Economic Services of the Regency, would like to facilitate for the farmers the purchase of the livestock and implements necessary for working their farms. Co-operative societies already facilitate for the natives the purchase of ploughs and livestock and enable them when necessary to build shelters for their flocks. But the Arabs, delivered from the usurers, are exposed to other dangers. Sometimes they buy improved implements which they cannot use and in the Bejaoua, for example, a few years ago, French ploughs might be seen abandoned in the furrows by the natives who had not draught animals strong enough to enable them to make good use of them and did not know how to keep and repair them. Such failures do more harm than if the attempts had not been made. It would be deplorable if the good intentions of the native should result in his loss. Just because he is making progress he must be advised and instructed at each step.

The war has not interrupted the agricultural work of the native services ; quite the contrary. In August, 1914 an agricultural school was opened at Smindja for the sons of Mussulman landowners. A first group of twenty boarders are there receiving practical and theoretical instruction.

Again a larger number of tours have been made in the various agricultural centres. The agricultural officers or agents charged to instruct or enquire into the needs of rural districts arrive on mules, go to the places of public assembly, where, as there are no European chairs, they sit on mats and are soon surrounded by natives. When he has finished his instructive address, the agricultural engineer answers the questions put to him. In turn potatoes, ants, medicine, cattle foods, justice, etc. are discussed. As, unfortunately, such meetings cannot be held as often as they should, and in order that the profit from these may not be lost, the Economic Services Department edits a monthly bulletin in the spoken Arabic dialect, that the peasants may understand. In each number the labours of the season are treated as clearly as possible. The farmers receive this periodical gratis and this assures durable relations between them and the Tunis office.

In the future, M. Charles Géniaux tells us, the Economic Services would like to ensure the integrity of small native homesteads, which will be a difficult matter. The Arab has never been able to resist the attraction of a sum of money. He cannot see a "douro" glitter in the hand of a usurer without wanting to take it, offering as security his garden or his fields. The usurer lets years pass without claiming the excessive compound interest agreed to in the contract. Then, after having watched his debtor, he profits by a famine, as in 1914, when wheat and olives fail together, to demand imperiously the amount due. The debtor, who cannot pay, sees his holding sold, or, as happens at Cape Bon, he is left

the tenth or eleventh part of it and obliged to cultivate it while receiving only the tenth or eleventh part of the produce.

A first satisfactory attempt at establishing an undistrainable homestead was made at Sidi Buzid. Better still, it is desired to fix the nomads on the land, making them grants of about 18 hectares per family in regions where long ago Roman colonists successfully cultivated olive trees. In this way the immense olive gardens of "Ifrikia" would be reconstituted, and the wandering herdsmen would be civilized. They are now frightfully poor and seldom satisfy their hunger. Gradually the central and southern regions of Tunis, now at best serving for the migration of sheep providing their owners with a precarious livelihood, would recover their ancient fertility.

It must, besides, be recognised that the land systems of Tunis were very little suited to fix the farmers on the land. The Mussulman landowner only rents his land by the year, to the metayer, called *khammès*, that is to say, the *fifth*, because, as remuneration for his work, he has right only to the fifth part of the produce of the land. Under these uncertain conditions in regard to time and wages, the poor farmers cannot improve their methods of farming. They understand that additional effort on their part, which may give increased value to the holding, will be no profit to them, for the landlord can evict them the following year and let a new *khammès* benefit by the improved farm. The Economic Services Department is endeavouring to prolong the lease of state land and trying to obtain from the administration of *Habu* land leases somewhat similar to those in France. On the other hand, there is a way of enabling farmers of moderate wealth in Tunis, to obtain possession of the land: this is sale by "enzel." The purchaser pays the seller or his heirs a fixed rent and becomes proprietor of the holding without paying anything but an annuity. If possession in this way became more frequent, it would have the advantage of increasing the production of the country.

At Gamuda, part of a large state farm has been thus portioned out among natives who before had only a yearly tenancy. The administration has even been careful to defend the purchasers against their own improvidence by clauses making the lots transferred real homesteads and preventing the concessionnaires from being dispossessed by distraint or sale. In the north of the Regency, at Gubellat, it is desired to assign land to the Arabs in the neighbourhood of the colonists, so that they may provide the latter with permanent labourers. The immense domain of Enfida, in a very favourable district, will soon sell land by "enzel."

URUGUAY.

El Uruguay en 1915. Boletín n. 3 Oficinas de Exposiciones (*Uruguay in* 1915. *Bulletin No.* 3. *Exbition Office*). Montevideo. Printed by A. Barreiro y Ramos. 1915. 8vo., pp. 238 with photogravures and diagrams. (In Spanish and English).

This is the 3rd. number of the publications of the Exhibition office of the Department of Industry, the object of which is to make the Uruguay better known abroad.

After a short historical notice of the country, the work under consideration gives interesting particulars in regard to its political, administrative, economic, military and judicial organization, as well as in regard to the work of each of the departments of State. However, the chief portion is devoted to an enquiry into the essential sources of the wealth of the country and especially into agriculture and stock-raising.

In regard to stock-raising, the most important of the industries of the country, we reproduce the following statistics. The number of head of cattle, which was in 1860 3,632,203, had increased in 1908, when the last cattle census was held, to 8,192,602. In the same period, the number of sheep had increased from 18,607,717 to 26,286,296. The amount of wool exported had increased from 1,521,659 quintals, valued at 32,371,744 gold pesos, in the five years' period 1884-1888, to 3,156,584 quintals of a value of 101,012,398 gold pesos in the period 1909-1913.

The meat industry has also greatly developed in the country, where there are now 13 *saladeros*, 7 preserved meat factories, and 2 refrigerating establishments. In the period 1908-1912 the exportation of livestock produce from Uruguay was valued at 197,555,653 gold pesos.

Although Uruguay is very fertile and its soil is almost everywhere adapted to various kinds of cultivation, agriculture has not yet made the same progress here as stock-raising. It must be noted that the average grain crop has been small, in certain years; however, according to the publication under notice, this is due to the cultivation being carried on "still in a rudimentary fashion, without good preparation of the soil, or selection of seeds, without manure, irrigation or other improvements of the land, which in certain regions, where they have been introduced have doubled the yield or increased it threefold." The wages of the agricultural labourers are shown in this book to be 15 pesos per month, while board and lodging is also given. The working day is generally eight hours.

The publication in question further furnishes interesting information in regard to the encouragement given by the State to immigration, with the object of colonising the country districts. In fact 282 immigrants entered the country in 1908, 1,355 in 1909, 2.455 in 1910, 2.375 in 1911, 3,305 in 1912, and 5,358 in 1913, settling in almost every part of the Republic.

RUGGERI ALFREDO, gerente responsabile.

(*c*) Publications of the Bureau of Agricultural Intelligence and Plant Diseases.

1. LE SERVICE DE PROTECTION CONTRE LES MALADIES DES PLANTES ET LES INSECTES NUISIBLES DANS LES DIVERS PAYS (The Present Organization of the Services for the Control of Plant Diseases and Insect Pests in the Different Countries). (1914, 350 pages, 4to) . . . . . Frs. 4.00
2. PRODUCTION ET CONSOMMATION DES ENGRAIS CHIMIQUES DANS LE MONDE (Production and Consumption of Chemical Manures in the World). (Second Edition, 1914, 162 pages, 5 diagrams, 2 maps, 16mo) . . . . . » 3.50

(*d*) Publications of the Bureau of Economic and Social Intelligence.

1. L'ACTIVITÉ DE L'INSTITUT INTERNATIONAL D'AGRICULTURE DANS LE DOMAINE DE LA COOPÉRATION, DE L'ASSURANCE ET DE CRÉDIT AGRICOLES (The Work of the International Institute of Agriculture in the Field of Agricultural Co-operation, Insurance and Credit). (In French, German and Italian). (1912, 34 pages, 16mo) . . . . . » 0.50
2. MONOGRAPHS ON AGRICULTURAL CO-OPERATION IN VARIOUS COUNTRIES. Vol. I. (1911, 451 pages, 16mo). (In English and French) . . . . . » 3.50
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6. AGRICULTURAL CREDIT AND CO-OPERATION IN ITALY: SHORT GUIDE TO RURAL CO-OPERATION IN ITALY (in English, 35 pages and in Italian, 34 pages, 16mo) . . . . . » 0.25

(*e*) Other publications.

1. L'INSTITUT INTERNATIONAL D'AGRICULTURE, SON ORGANISATION, SON ACTIVITÉ, SES RÉSULTATS (The International Institute of Agriculture, its Organization, Activity, and Results). (1914, 31 pages, in French, Italian and English; illustrated) . . . . . Frs. 1 —
2. LOUIS-DOP. — LE PRÉSENT ET L'AVENIR DE L'INSTITUT INTERNATIONAL D'AGRICULTURE (CONFÉRENCE) (Present and Future of the International Institute of Agriculture) (Address). (1912, 60 pages, 16mo). . . . . » 1 —
3. SANTIAGO ALDUNATE — EL INSTITUTO INTERNACIONAL DE AGRICULTURA Y SU IMPORTANCIA PARA LA AMÉRICA LATINA, EN ESPECIAL PARA CHILE (Conferencia) (The International Institute of Agriculture and its Importance for Latin America, especially for Chile). (1913, 30 pages, 16mo) (Address). . . . » 1 —

II. Publications not for Sale.

1. CONFÉRENCE INTERNATIONALE DE 1905 POUR LA CRÉATION D'UN INSTITUT INTERNATIONAL D'AGRICULTURE (International Conference of 1905 for the Foundation of an International Institute of Agriculture), (1905, 254 pages, 4to).
2. ACTES DES ASSEMBLÉES GÉNÉRALES DES ANNÉES 1908, 1909, 1911, 1913 (Proceedings of the General Assemblies of 1908, 1909, 1911 and 1913). (Four volumes, 8vo., one 16mo).
3. PROCÈS-VERBAUX DU COMITÉ PERMANENT DES ANNÉES 1908, 1909, 1910, 1911, 1912, 1913 (Procès-verbaux of the Permanent Committee, 1908, 1909, 1910, 1911. 1912, and 1913). (Five volumes, 8vo., and one 16mo).
4. RAPPORTS ET ÉTUDES DU BUREAU DE LA STATISTIQUE GÉNÉRALE (Reports and Studies of the Bureau of General Statistics). (1911, 260 pages, 8vo).
5. THE SCIENCE AND PRACTICE OF FARMING DURING 1910 IN GREAT BRITAIN. (646 pages, 16mo).
6. ÉTUDE SUR LES RECENSEMENTS DE LA POPULATION AGRICOLE, LES SALAIRES DE LA MAIN-D'ŒUVRE RURALE ET LES COURANTS D'ÉMIGRATION DANS LES DIFFÉRENTS ÉTATS (Study on the Census Returns of the Agricultural Population, the Wages of Rural Labour, and the Currents of Emigration in the Several Countries). (1912, 150 pages, 8vo).

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